

REPORT
OF THE
GENERAL PURPOSES SUB-COMMITTEE
OF THE
RETRENCHMENT ADVISORY COMMITTEE
JUNE 1932
PART III



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CONSTITUTIONS AND TERMS OF REFERENCE OF THE SUB-COMMITTEE

The General Purposes Sub-Committee was charged with—

- (i) the review of all central expenditure except that on the Army, the Posts and Telegraphs Department, the Railways, Civil Works, Audit and Accounts, Stationery and Printing and the Indian Stores Department (Other Sub-Committees were set up for the purpose of reviewing the public expenditure on these excepted items)
- (ii) consideration of, and co-ordination of, the proposals made by the other Sub-Committee relating to the pay and allowances of Government servants

Constitution —The Sub-Committee was constituted as below —

- (1) SIR ABDUR RAHIM, K C S I , K T , M L A (*Chairman*).
- (2) The Hon'ble Rai Bahadur Lala RAM SARAN DAS, C I E , *Member*
- (3) MR RANGASWAMY AYANGAR, ,,
- (4) MR S C MITRA, M L A , ,,
- (5) Mian MUHAMMAD SHAH NAWAZ, C I E , M L A , ,,
- (6) MR K C ROY,* C I E , M L A , ,,
- (7) Diwan Bahadur HAR BILAS SARDA, M L A , ,,
- (8) MR J RAMSAY SCOTT, M L A , ,
- (9) Khan Bahadur Hafiz WILAYAT ULLAH, I S O , M L A , ,,
- (10) MR J C NIXON, I C S (representing the Finance Department), *Member*

MR W R TENNANT, I C S (up to 7th June 1931)	}	<i>Secretary</i>
MR S P SHAH, I C S		

Reference—

“ To make recommendations to the Committee† for effecting forthwith or by stages all possible reductions in the public expenditure of the Government of India under review of the Sub-Committee, having regard especially to the present and prospective position of the revenue In so far as questions of policy are concerned, these will be left for the exclusive consideration of the Government, but it will be open to the Sub-Committee to review the expenditure and to indicate the economies which can be effected if particular policies are either adopted, abandoned or modified ”

* Died on 7th September 1931

† i.e., to the Retrenchment Advisory Committee.

CHAPTER I

GENERAL OBSERVATIONS

(1) *Introductory* —In parts I and II of our Report we have dealt with all “central” expenditure under the purview of the General Purposes Subcommittee with the exception of the expenditure under the control of the Foreign and Political Department (including that on the Foreign and Political Department of the Secretariat) In this part we deal with the latter and thus finish our enquiry into “specific retrenchment”

The present enquiry has brought us face to face with some of India's most important problems In order that the scope and effects of our proposals under this head may be properly realised, one must bear in mind the fact that the control and direction of both the internal and external affairs of India is vested in His Majesty's Government India's internal affairs relate, *firstly*, to the administration of what is called ‘British India’ and, *secondly*, the carrying out of such obligations as arise out of treaties and engagements between the British Crown as the ‘paramount power’ and about 600 ‘Indian States’ ranging from States like Hyderabad, whose rulers enjoy sovereign rights of internal government in territories, which in area, population and revenues are larger than some independent European States, down to small ‘estates’ with rent rolls of a few thousands belonging to ‘rulers’ with extremely limited “jurisdiction” of their own The direction of internal affairs of India in both these respects is exercised by the Secretary of State for India as a member of the British Cabinet In dealing, however, with the subject of defence of India, including the control of the British troops in India and the Indian Army, the Secretary of State for India and the British War Office act in co-operation As for the external affairs of India, the country has no independent foreign policy of its own Such as it is, it forms part of the foreign policy of the British Government and is directed by the British Foreign Office. This is implicit in the justification, based on the trade interests of India, as put up by the Foreign and Political Department, for India bearing the whole or part of the expenditure on certain legations, political agencies, and consulates maintained in Asia

The expenditure now reviewed may be analysed as below —

- (a) Expenditure on the “Watch and Ward” of the north-western and the north-eastern and Burma frontiers This expenditure is incurred not merely on establishments but also on buildings and communications
- (b) Expenditure in the two frontier administrations, *viz*, the North-West Frontier Province and Baluchistan other than that on the frontier watch and ward
- (c) Expenditure in the minor administration of Ajmer-Merwara, which corresponds in certain respects to the

- (d) Expenditure on Residencies, Political Agencies, Consulates, Vice-Consulates, Trade Agencies, etc
- (e) Expenditure on "administered areas," *e g*, cantonments, "residency" or "agency" areas, civil stations, camps, railway lands situated within the territories of Indian States in which jurisdiction (but not sovereignty or ownership) has been surrendered by the States in question to the British Indian Government
- (f) Expenditure on the Foreign and Political Department of the Secretariat
- (g) Miscellaneous expenditure, *e g*, subsidies, maintenance of refugees and State prisoners, grants-in-aid to educational and other institutions, maintenance of certain forces and formations, entertainment charges, works, etc

Following our usual plan we shall deal with the entire expenditure under each distinct "grant" Thus, Political, Land Revenue, Forests, Excise, Education, Medical, Public Health and other similar heads will be dealt with under each distinct grant and not for India as a whole In the case of Frontier Watch and Ward also we shall follow the same plan and deal with the Frontier Watch and Ward establishments in the North-West Frontier Province and Baluchistan along with the other grants relating to those two "minor administrations" On the other hand, expenditure on establishments on the Burma and Assam frontiers and on buildings and communications intended for frontier watch and ward in the North-West Frontier Province, Baluchistan, Burma and Assam will be dealt with under the non-voted grant "Frontier Watch and Ward"

In the case of Ecclesiastical, however, we have already disposed of the grants for India as a whole in Part II of our Report We shall all the same make a brief reference to this fact under every grant which comprises an allotment for Ecclesiastical

Coorg excluded—The district of Coorg, which used to be one of the minor administrations, is now treated in certain respects as a "province" with a classification of its expenditure into "central" and "provincial." The major portion of its expenditure is "provincial" and not "central" There is in fact no "area" grant for Coorg at all Since our task is to review "central" expenditure, and Coorg *per se* does not figure in the estimates of central expenditure, we have left it out of our purview

(2) *Subject of Part III*—Of all the civil departments of the Government of India the Foreign and Political Department controls the largest civil *expenditure—6,52 76 lakhs—a fact perhaps little known to the general public The operations of the department are still less known, partly because of their nature but still more so because of the peculiar constitution of the government of the country This Department is in the portfolio of the Viceroy himself, who is in no way answerable to the Legislature Detailed estimates of the wholly "non-voted" expenditure controlled by this Department, which

**Vide* Appendix II to Chapter I of Part II of our report Posts and Telegraphs Department expenditure being "commercial" is not taken into account for the purposes of this statement

forms 70 per cent of its total grant, are not supplied to the Legislature. Hence, such expenditure is excluded from the scrutiny of the Legislature

The Foreign and Political Department, generally speaking, deals with two classes of subjects, though the exact line of demarcation is not easy to lay down. Unlike other departments of Government it is in charge of two Secretaries—the Foreign Secretary and the Political Secretary. The foreign side of the department conducts the relations of India with countries outside or on the border but includes also the North-West Frontier Province and Baluchistan. The political side administers the relations of the Indian States with the British Crown as the paramount power. So far as foreign relations properly speaking are concerned, India has no independent policy of her own. It is the British Foreign Office that controls and directs such policy, the Viceroy acting as their chief adviser and agent in India. But the political relations with the Indian States are controlled by the Secretary of State for India and the Viceroy. In either case the Executive Council is not likely to have the same effective voice in the policy or administration of the department, as in the case of other departments, though we understand that, as a matter of fact, the proposals of the department are placed before the Executive Council.

(3) *Expenditure and its growth*—The following table shows how the expenditure has grown from 407.07 lakhs in the year preceding the Great War to 652.76 lakhs in 1931-32. The grants for 1931-32 have been classified into “voted” and “non-voted.” The “excise” grant of 2.40 lakhs is for the payment of compensations to Indian States in respect of certain excise arrangements under which the States concerned do not get the duty on excisable articles consumed in their own territories.

	Actual expenditure in			1931-32 Estimates			Reductions recommended by us in —	
	1913-14	1921-22	1924-25	Voted	Non-voted	Total	Skeleton scheme	Final Report
31—Foreign and Political Department	7.17	9.93	8.54	9.14	2.60	11.74	2.75	2.75
78—North-West Frontier Province	122.41	175.03	220.55	111.39	135.39	246.78	30.05	20.24
79—Baluchistan	53.17	60.36	71.57	31.27	48.07	79.34	10.24	10.25
81—Ajmer-Merwara	9.09	13.20	14.23	16.97	1.51	18.48	2.76	3.02
83—Rajputana	12.18	13.21	14.18	5.55	7.84	13.39	2.33	3.42
84—Central India	15.89	13.14	14.18	5.66	7.26	12.92	3.23	3.25
85—Hyderabad	6.57	5.36	5.33	3.19	6.71	9.90	1.09	1.61
Political (non-area) } Frontier Watch and Ward (non-area) }	172.80	180.39	164.34	{	97.97	97.97	29.06	37.59
					128.85	128.85	48.55	48.55
Bangalore Western India States Agency	6.06	10.50	22.66		14.16	14.16		
Excise (Non-voted)			13.85		16.83	16.83	3.25	3.25
					2.40	2.40		
Total	405.34	481.12	549.2	122.17	42			

(4) *Skeleton retrenchment scheme* —In July 1931 we had issued questionnaires relating to each grant except Excise. Having studied the replies and other material, we examined the representatives of the Foreign and Political Department as soon as we found time after disposing of the first two parts of our report (*vide* Appendix I for a table showing our sittings). It was not possible to present a full-fledged report before we adjourned. We were assured that a skeleton scheme of retrenchment incorporating our proposals and remarks would enable Government to give effect, in the budget estimates for 1932-33, to such reductions proposed by us as were accepted by Government. With this object we supplied, before Christmas 1931, a detailed summary with, in some important cases, brief reasons in support of our proposals. The reductions so proposed have been shown in the penultimate column of the table given in paragraph 3. We have only to add that except as regards expenditure on Frontier Watch and Waid our present Report does not differ in any material respect from the summary supplied by us in advance. A few changes there undoubtedly are but it will be seen from the figures given in the summary printed at pages 261-262 that not only the grand total, but in some cases even the totals for individual grants are, for practical purposes, the same as in the skeleton scheme.

(5) *Government action* —In September 1931, the Hon'ble the Finance Member, while introducing the Supplementary Finance Bill, 1931, stressed the gravity of the financial situation. We have not been told, and have no reason to believe, that it has become appreciably less acute since or that there has been any considerable improvement in the economic condition of the country. The heavy burden of taxation imposed by the "certified" Supplementary Finance Bill, 1931, still remains. Yet we feel that actual reduction of expenditure on the activities reviewed by us in parts II and III (*i.e.*, the skeleton scheme supplied in advance) has slackened. We are compelled to conclude that either Government no longer consider retrenchment the acute necessity to the soundness of their financial position that it was before the "certification" of the Supplementary Finance Bill or that the view that, while scientific activities and beneficent departments can be subjected to substantial retrenchment, the so-called administrative departments and "essential" functions can only be scraped for minor economies, has been influencing Government's decisions to an undue extent since the presentation of the first part of our report. In this connection we invite attention to the following table which needs no comment —

1931-32 budget provisions	Reductions recommended by us	Reductions accepted by Government	Percentage of column 3 to column 2
1	2	3	4
Part I	321 77	121 21	86
Part II	791 73	168 32	51
Part III*	6,52 78	133 31*	54
Total	17,66 26	422 84	62

*The reference here is to the Skeleton Scheme and not to our Final Report

The reductions of 86 00 and 72 00 effected by Government on the activities reviewed in parts II and III of our Report include the retrenchment of beneficial services, like Education, which Government have seen fit to carry out on their own initiative and responsibility and, generally speaking, against our clear advice. We confess that a premonition of the line that Government intended to take with regard to the activities which have since been reviewed by us in parts II and III was furnished to us in the Hon'ble Finance Member's speech introducing the Supplementary Finance Bill, 1931. He then said that his estimate of reduction of expenditure was limited to 90 lakhs net (including the automatic reduction of 23½ lakhs on census). Our own review has shown that there is scope for a reduction of expenditure by a little under 3 crores. The fact that Government themselves have already been able to give effect to a reduction of 158 lakhs shows that the figure of 90 lakhs was a considerable under-estimate.

(6) *Attitude towards beneficent activities, Education and Scientific Departments*—As this is our final report on the subjects committed to us, we take this opportunity to observe that some serious misrepresentations have been made with respect to the trend of some of our proposals in the first and second parts of our Report in connection with certain beneficent activities of the Government of India, more especially the expenditure on scientific departments and grants for educational purposes. If we had one object more prominently and consistently in view than another, it was to see that any expenditure on such activities was not curtailed so as to affect them injuriously—far from “kill them,” as was stated in the Assembly by one member of the Government. We had made this absolutely clear in the very forefront of our first report and all our recommendations in this connection were based on that principle. In the particular cases, where we felt justified in reducing expenditure of this class, it was solely because we were persuaded that there was room for economy by retrenching superfluous staff in order to obviate over-administration, which, as is well-known, interferes with the proper conduct of scientific research. We wish to refer here to paragraphs 9 and 10 of Chapter I of Part I of our Report, from which our position will be clearly understood. We must also point out that we had to resist continued pressure of the representative of the Finance Department on our Committee to curtail expenditure on the scientific and educational activities of the Central Government generally and to close down or suspend for a term of years some of the institutions concerned. But we regret to note that while this was the attitude of the representative of the Finance Department itself on the Committee towards these activities, some members of the Government including the Finance Member himself, the Chairman of the Main Retrenchment Committee, sought to discredit generally the work of the General Purposes Sub-Committee in the debates in the Legislative Assembly by presenting some of our proposals in a misleading and distorted light. We give in Appendix III brief extracts from the speeches made by some members of the Government pointing out the inaccuracies contained therein.

(7) (a) *Complexity of Political Expenditure*—The grants reviewed in this part include the majority of “area” grants and thus present more detailed and complex problems than the normal type of grants (viz., der. r. e. i. reviewed + - f. a. i.)

(i) *Review comprises "provinces".*—In at least two cases, if not three (*viz*, North-West Frontier Province, Baluchistan and Ajmer-Merwara) it can be argued that the expenditure reviewed is comparable to that incurred in the smaller of the major provinces. It not only comprises the principal heads of expenditure on subjects which are at present classified as "provincial" but also, in the case of the North-West Frontier Province and Baluchistan, important "central" heads as well, at least one "central" subject, *viz*, Frontier Watch and Ward, is peculiar to these two minor administrations. Even in the case of Rajputana, Central India, Hyderabad, Bangalore and the Western India States Agency the pattern followed for purposes of grants and accounts is essentially the same as in the major provinces.

(ii) *Non-voted estimates not so dependable*—Again, the grants for the maintenance of Political Agencies and Residencies are in certain respects rather difficult to handle. Their organisation tends to follow a general scheme, but the variations are both numerous and important. Although detailed estimates are prepared, the accuracy of the non-voted grants is not guaranteed in the same way as that of voted estimates which are placed before the Legislature in the form of "Demands for Grants". From the descriptions of the detailed units of appropriation it is not always possible to ascertain the precise direction or objective of the expenditure. Annual administration reports are not available. We acknowledge the very valuable assistance rendered by the Foreign and Political Department in the form of useful and often detailed information in reply to our numerous questionnaires. But in the nature of things it could not take the place of information available in publications on which any one could lay his hands at will, and from which one could, if necessary, quote in support of one's views and proposals.

(iii) *Authoritative detailed review of expenditure not available*—We observe that Mr Jukes' review disposes of the progress of expenditure controlled by the Foreign and Political Department in a few pages. Valuable in its own way, particularly for a broad grasp of political expenditure as a whole, it fails to give a detailed picture of the growth of expenditure on each political unit. Our report attempts to supplement Mr Jukes' review in this respect and brings it up to date with the help of the detailed information supplied by the department or collected from other sources.

(iv) We may again mention the important accounting changes which tend to obscure the progress of expenditure. The expenditure on the "despatch vessel" at Bushire and that on the lighting and buoying of the Persian Gulf are examples of such changes. Secret Service money now usually figures under "office allowance", previously it used to be shown as such or under supplies and services. Certain classes of expenditure in the agencies and consulates and vice-consulates under the control of the Political Resident, Bushire, are now "centralised" and appear in the Bushire budget and not in their own budgets. Similar important changes have taken place in the expenditure of the Bhutan-Sikkim Agency on the one side and the Gyantse and Yatung Trade Agencies on the other. A major change is the transfer of the provisions for sterling overseas pay, etc., to the High Commissioner's budget. These are only a few specific cases cited by us as illustrations, they do not by any means exhaust the list.

(v) *Changes of Policy*—Certain fundamental changes of policy have also taken place since the retrenchment campaign of 1922-23. Thus, the annual subsidy of 19 lakhs to the Amir of Afghanistan is no longer payable. On the other hand, the Kabul Legation is now costing about eight to ten times what India's political representation in Afghanistan used to cost. Again, in the case of Persia and the Persian Gulf Littoral His Majesty's Government have taken certain Consular and Vice-Consular outposts under their own control and India only makes contributions towards their up-keep, whereas formerly India used to meet the whole cost in the first instance.

(vi) *Complicated system for division of expenditure and administrative control*—The existing arrangements regarding the authorities in administrative control of certain political agencies and the manner in which expenditure is shared between Great Britain and India are somewhat complicated. The Consulates and Vice-Consulates in Persia and the Gulf Littoral furnish the most important illustration, Kashgar furnishes another. Some of them are manned by officers under the control of the Government of India, some by officers of the diplomatic and consular services controlled by His Majesty's Government. With the exception of the expenditure on Bahrein and Muscat, which India has to bear herself, expenditure in Persia and the Persian Gulf Littoral is, broadly speaking, shared equally by Great Britain and India. But India bears the whole cost of the Legation at Kabul, the Consulate-General at Kashgar, and the three outposts in Tibet. In respect of diplomatic and consular establishments in China, India makes a fixed contribution of £12,000 per year. This is recovered from India by adjustment in the Secretary of State's accounts. A committee appointed by the Secretary of State for India under the Chairmanship of Sir Henry Wheeler has recently recommended that an effort should be made to secure the discontinuance of such contribution so far as we are aware, no such recommendation has been made in respect of political and other expenditure in Persia, Arabia, Afghanistan, Turkestan and Tibet with the object of affording relief to India. We have cited these facts to show that unless net expenditure (*i.e.*, after adding India's contribution to, and deducting recoveries from, Great Britain) are taken into consideration, comparable figures cannot be arrived at.

(b) *Adherence to detailed framework*—We have all the same attempted to present as complete a picture* of each unit of expenditure reviewed by us in this report as it was possible for us to do with the material and information available to us. Some of the material set forth in our report, though not confidential, is not easily available to the public. Hence, we have attempted to reconnoitre and give a brief but precise picture of each grant, trusting that this will help to appraise our remarks, suggestions, and proposals at their true worth. We think that even as a handy reference book our report will serve some purpose.

(8) *Problem of the North-West Frontier*—It will be evident that many of our important proposals for retrenchment can be given effect to only if certain policies are fully carried out. One outstanding problem in this connection

*In this connection *vide*

relates to the land frontiers of India (including Burma) especially on the north-west India was often in the past invaded from the North-West, mainly through the Khyber Pass (in the North-West Frontier Province) and to a lesser extent through the Bolan Pass (in Baluchistan), and in recent times the Czarist regime in Russia gave rise to considerable apprehensions in this respect. With the disappearance of that regime, however, the danger of any invasion from the north-west has considerably diminished, even if it cannot be said to have vanished altogether. The practical problem has since then been more or less confined to the protection of the north-west frontier from "raids" by independent tribes living in what is called "the tribal areas". The expenditure incurred in guarding against and meeting such raids has been enormous, not only on measures directly adapted to this specific end and in the cost of actual action and movements of troops but this fact has also generally influenced the strength and equipment of the Indian military forces of various arms. Until a short time ago, *i.e.*, during the currency of the so-called 'buffer state' policy, Government's policy was mainly based on the assumption that these tribes must always remain intractable and prone to pounce upon Indian towns and villages across the border and to plunder their inhabitants, whenever they found a suitable opportunity. But we have been informed that a new orientation has been given to the frontier policy to secure a more stable state of peace and security. That policy is one of 'peaceful penetration' or of 'civilising' the tribes. Its objective is to open out suitable and adequate avenues of employment for the tribes and to induce them to settle down on the land by building roads, by enabling them to make the best use of their forest resources, by increasing the extent of cultivable and pasture lands by means of canals, and by spreading education. These tribes (*viz.*, Afridis, Wazirs, Mahsuds, Mohmands and others) are not only a war-like and virile people but also intelligent, hardy and hardworking. They have also certain traits of moral character through which very effective appeals can be made to them. They are well-known for their hospitality and chivalry. They are also extremely susceptible to the influence of religion, though at present under the teachings of narrowminded, ill-informed and mostly selfish *mullahs* it is apt to develop intolerant fanaticism.

We cordially endorse the policy, the aim of which, as we have understood it, is to make every appeal to the higher instincts of these people. But it should never be forgotten that the primary condition of success of any such policy is the development of the economic resources of their country and the opening out of adequate avenues of peaceful and useful employment for them without interfering substantially with their independence, which they prize above everything else. We see no reason why they should not also be encouraged to find suitable employment in British India itself.

We should further add that unless such a policy is earnestly and successfully carried out, the problem of the north-west frontier will not be solved on a stable basis. In this connection we must express our firm belief that the recent grant of a new constitution for the government of the North-West Frontier Province with a promise that it will be expanded on the same lines as that of the other provinces of India will greatly ensure the success of the new policy. We should like here to emphasize the fact that the remarkable

decline in the number of raids and consequent casualties and loot of property in recent years* inevitably tends to strengthen our conclusion in favour of the new policy. We had these broad considerations in mind in making our specific proposals for retrenchment in the expenditure on Frontier Watch and Ward both in the North-West Frontier Province and in Baluchistan, so that more money could be found to devote to more productive purposes.

(9) *Some important general issues* — We may now discuss certain important issues of a general character which have emerged out of our review of the political grants.

(i) *Financial control* — We are not satisfied that the present arrangements for control over expenditure from the grants administered by this Department are adequate or effective. We are unable to suggest definitely the exact arrangements, which may secure proper financial control. But it may be worth while considering whether it would improve matters if the Under-Secretary, who, we understand, deals with finance, is placed directly in subordination to the Finance Department but without in any way increasing the cost of the post or altering the system under which at present financial proposals are submitted to the Finance Department. We do not of course refer to the work of any particular officer but only to the nature of the existing system.

(ii) *Supply of estimates to Legislature* — In the case of wholly non-voted grants and the wholly non-voted heads included in the "area" grants, detailed estimates are not incorporated in the volume of "Demands for Grants" laid before the Legislature, only a brief summary, which hardly gives any guidance, is furnished. We are not aware of the reason why the details of this expenditure are withheld from the Legislature. We notice that detailed estimates of military expenditure, which also are non-voted, are furnished. We suggest that the *raison d'être* of the current practice be scrutinised afresh. The Legislature should, in our opinion, be taken into confidence. Under the existing constitutional position, these estimates would continue to be non-voted, hence, the information made available to the Legislature would not, in our opinion, cause any undue embarrassment to Government.

In this connection we may draw attention to the change in the practice, which, we understand, Government have, on our advice, decided to make as regards estimates for the Nasik concerns. These have so far been excluded from the "Demands for Grants", but we understand that the question of incorporating them therein is under consideration at present.

(iii) *Special pays and allowances* — In this department, perhaps more than in any other, numerous special pays and allowances (*e.g.*, sumptuary, language, conveyance, motor car, compensatory, customs compensatory, house-rent and duty allowances and special pays) on generous scales are payable, even though the scales of pay are liberal enough. Many officers get various special pays or duty allowances for one reason or another, and even establishments get them in an unusually large number of cases or on unusually generous scales. We have quoted numerous individual cases in the main body of our Report, but may refer to two of the most striking cases. The aggregate amount of + Residency Surgeon, Indore's .

is as much as Rs 1,142 per mensem, (The present incumbent's substantive pay is Rs 1,500 *plus* £ 30 O P) The extra emoluments of the Vice-Consul, Mohammerah, whose pay proper is Rs 500 per mensem, aggregate Rs 600 per mensem. We note that in some cases the cost does not fall entirely on central revenues. We presume, however, that the aggregate cost to central revenues must be a considerable figure*. We recommend a thorough overhaul of the entire system. When an Assistant Residency Surgeon gets, besides his pay proper, a special pay for acting as Assistant to the Residency Surgeon *cum* Chief Medical Officer, there must be something wrong with the manner in which extra emoluments are sanctioned.

Since reduction of special pays and allowances is obviously an easier mode of effecting permanent economies than revisions of scales of pay, we recommend that pending a thorough examination, they should be reduced by one-half. We may draw attention to the fact that in the case of political officers serving on the north eastern frontier under the control of the Government of Assam that Government has, in the interests of economy, reduced the special pays and allowances by substantial percentages, *e g*, the total extra emoluments of Rs 400 per mensem to two Political Agents have been reduced to Rs 150 per mensem in one case and Rs 250 in another. We trust that the Government of India also will take up the question equally seriously.

In this connection we may refer to several concessions and amenities which are provided at the public expense to the officers of this department. Numerous officers get rent-free quarters—sometimes furnished. Liberal provisions for the maintenance of gardens, saloons, special trains, motor cars, are other instances. While it is impossible for us to scrutinise each case on its own merits, we earnestly recommend that the whole system should now be thoroughly overhauled.

(iv) *Imperial burdens on central taxpayers*—We may now draw attention to certain burdens which British India has to bear, in our opinion unfairly. We have recommended that the entire cost of diplomatic and consular representation in Persia and the Persian Gulf Littoral and Turkestan and on the agencies at Gyantse, Yatung and Gantok, should be entirely borne by the British Government. We claim that it has not been shown to our satisfaction that they are maintained in the trade interests of India. We are satisfied that their history, constitution and the other important facts, which we have mentioned in our Report, do not prove the case of the department in this connection. So far as we are aware, no dominion or colony bears a share of such expenditure, even when it is almost directly interested. In this connection, we may refer to the recommendation made in an analogous case by the Economy Committee appointed in 1931 by the Secretary of State (under the Chairmanship of Sir Henry Wheeler) to the effect that efforts should be made to secure discontinuance of India's annual contribution (£12,000) towards diplomatic and consular establishments in China.

This question in fact is not raised by us for the first time, what we have pressed for is that the true position should now be fully recognised and

*In the case of the North-West Frontier Province and Baluchistan we have made a rough estimate of the total special pays and allowances payable to officers; in the former, our estimate of the aggregate amount is 2.04 lakhs, and in the latter, 40 lakhs.

India be relieved of expenditure, from which she derives very little benefit. But since it will take about a year before a decision is reached and readjustments made, we have proposed certain reductions in the expenditure in order to give as much relief in the meantime to Indian revenues as possible.

Although in the case of Afghanistan the position is very different from what it is in Persia, we have not gone so far as to propose that His Majesty's Government should bear the total expenditure of the British Legation at Kabul. We have only proposed that while the ultimate aim should be to share the cost with His Majesty's Government, India may for the present bear as much as two-thirds of the cost of the Legation proper.

There are certain other directions also in which British India alone bears heavy all-India and imperial burdens. We shall refer to a few such cases.

(a) The expenditure incurred in administering the relations of the Indian States with the Paramount Power is entirely borne by the revenues of British India. We have had no opportunity of examining the reasons for this arrangement and we have proposed reductions of expenditure on Political agencies on the basis of the present policy. That policy, as we have already stated, is the discharge of obligations arising out of the treaties and engagements of those States with Government. It does not lie within the scope of such an enquiry as ours to ascertain what exactly is the nature of these obligations in individual cases. We have, however, assumed as a broad fact that the obligations in question include the possibility of the Political department being called upon to give such advice and help to the Rulers from time to time as might be helpful to them in so carrying on their administration as to secure peace, contentment and prosperity of the inhabitants of the States. That indeed is the objective which the entire system of political agencies seems to be designed to serve and in making our recommendations for retrenchment we have taken care that its efficiency is in no way impaired. Our sole concern has been to see that the revenues of British India are not unjustly burdened with any avoidable item of expenditure.

(b) The heavy expenditure on dâk and telegraph lines in Tibet, and the medical expenditure in Persia, etc., are other cases in point.

(c) The Indian States Forces are in many cases a source of power and prestige to the States that maintain them. But, the entire cost of maintaining the Military Advisory Staff for their training (6 44 lakhs) falls on central revenues.

(d) Similarly, the net cost of the Malwa and Mewar Bhil Corps, the Hyderabad Chowkidari establishment, the net cost of the Railway Police in Rajputana, Central India, Western India States Agency, etc., the substantial annual present to Nepal and the subsidies to Muscat and Bhutan, the grants-in-aid to Chiefs' Colleges and similar institutions, the cost of education of students from Nepal and Bhutan, entertainment charges and the cost of keeping refugees and state prisoners, payments to tribes and Khans,—all these are more or less Imperial or all-India burdens, which the central taxpayer has at present to bear.

We understand that some of these and similar questions have been enquired into already.

wherever necessary. In connection with most of them we have made detailed proposals in the relevant portions of our Report. We may, however, refer here to the question of policing the railway systems in India.

We agree that India's best interests require unified control as far as possible, but we do not see why the central taxpayer should bear an unduly large share of the burden. We observe that in the case of the Hyderabad railways the contributions levied from the State as well as the railway companies concerned enable the full cost to be recovered. Similarly, in the Western India States Agency some cost is, at any rate in theory, recovered in the form of the Gaekwar Subsidy of 3½ lakhs, a part of which may be treated as a lump sum payment. On the other hand, we find that in Rajputana, Central India, and presumably also in Mysore, Punjab and elsewhere the cost is borne entirely by central revenues. The position is, however, somewhat obscure to us and we are content to leave the matter to be examined in detail by the department. We suggest that such examination should embrace the liability of the railway companies served. Thus, if railway companies operating in Hyderabad State have to contribute towards the cost of the Hyderabad Railway Police, there seems little reason why the other Railway Companies and Administrations whose lines serve states' territory or "administered" areas should not be made to contribute towards the cost of the Railway Police serving them, not merely as a watch and ward agency but in its rôle as a railway police.

(v) *Military expenditure* — We draw attention to several cases in which expenditure which in essence is military is being shown under head "Political". We commented on similar cases in connection with certain classes of "civil" expenditure, e.g., the Survey of India, Agricultural, Medical, Ecclesiastical, etc. In certain cases such expenditure has always been classified as political, in some cases it used to be provided for in the army budget but was removed from it when in connection with the retrenchment campaign of 1922-23 an upper limit was put on that budget. As instances we may quote the expenditure on Frontier Watch and Ward (in all 2,52.35 lakhs) charges for the organisation of Indian States Forces (6.44 lakhs), and the cost of semi-military formations like the Mewar and the Malwa Bhil Corps, these have always been shown as "political". On the other hand, the cost of the Envoy's escorts in Nepal, cost of stores for Gilgit Scouts, cost of telephone lines in the North-West Frontier Province and certain charges in connection with the Nayar Brigade used to be borne on the Army estimates but are now shown as "political". It can also be argued with a fair show of reason that some of the expenditure on the political agencies in the tribal areas in the North-West Frontier Province and Baluchistan and Burma and Assam is essentially military. The employment of officers of the I.M.S. and the I.M.D. in political agencies is often, in essence, a mode of providing army surgeons with some useful employment in peace time. We propose that in the interests of a true picture of the real aggregate cost of each service, the expenditure should be more precisely classified. We may remark that since "political" as well as "army" expenditure is "non-voted", the objection, viz., that constitutionally it would be a retrograde step to convert voted into non-voted expenditure, is not applicable to our proposal.

In this connection we may refer to the unnecessary additional expenditure which the "commercialisation" of the Army budget and the passing of the Indian Cantonments Act has involved. Army officers who in one capacity or another (*e.g.*, as Cantonment Magistrates) used to do certain classes of work without extra emoluments (*e.g.*, excise or judicial), are now in many if not most cases paid for such work, if it is still done by them. As illustrations we may refer to the provisions for special payments to army officers for excise work. We can see no strong reason for such payments. Their own work has not appreciably increased or become more arduous. If a *quid pro quo* is claimed on behalf of the army budget, the claim should be disposed of on the merits. But, we cannot defend the payment of extra emoluments to officers, maintained out of central revenues, for work which until only recently they used to do without any such extra emoluments.

(vi) *Utilisation of Local Governments' agency*—While we refrain from expressing a general opinion on the relative merits and demerits of maintaining political relations with the Indian States through the agency of the respective Local Governments as an abstract question, we hold that by relieving certain Local Governments of such work in respect of specified States or groups of States some economy should be possible. As illustrations we might draw attention to our remarks regarding Mahikantha, Rewakantha, etc. On the other hand we are not prepared to recommend any change in respect of the States in Bengal, United Provinces, Bihar and Orissa or the Central Provinces. Our recommendation is that this question should be examined again in regard to each State or natural group of States from the point of view of possible economy without risk to efficiency.

(vii) *Subordinate Political Agencies*—A reconsideration of the general policy under which political agencies subordinate to an Agent to the Governor General or a Resident are still maintained for the conduct of political relations with the Indian States may be in the interests of economy.

It may be feasible to reduce their number still further but we have not had the time to take evidence or to give this proposal due consideration and therefore we refrain from making any concrete proposals other than those already embodied in this report.

(viii) *Residency and Agency Surgeons*—Another matter in which a change of policy is needed is the system of attaching surgeons to Residencies and Agencies. In the old days they used to be so attached almost as a matter of course. The circumstances of India in this respect have, however, changed so much that we do not consider it necessary to attach them to political agencies except in a few unimportant cases. Most Indian States now-a-days maintain qualified medical establishments; some of them are quite progressive in this respect. Where the assistance of a qualified medical staff in the employ of the State concerned is within easy reach, the attachment of special surgeons to a Political Agency should be an exception to be justified by special circumstances. We realise that our proposal raises the difficult problems of finding some form of suitable employment for officers of what in essence are army services. We have t

recommending the abolition of all such posts, wherever the local circumstances appeared to us to be favourable, we have merely proposed the abolition of a few such posts which in our opinion were unnecessary and the abolition of which we deemed a practicable proposition even within the framework of the present policy on the subject. Thus, in the case of Central India we have proposed the abolition of only one such post, *viz*, that of the Agency Surgeon, Bhopal, and failing it, the post of Residency Surgeon, Indore. On the other hand we could not see our way to accept the reasons for continuing the posts of the Residency Surgeons at Hyderabad and Bangalore. We trust that pending a fresh examination of this large, complicated and somewhat controversial question, effect will be given to our modest and limited proposals.

(12) *Local Funds* —In the course of our scrutiny of expenditure under the control of this department we have come across numerous local funds. Almost every political agency, which has an “administered” area, *e g* —Hyderabad, Western India States Agency, Central India, Mahikantha, etc., has one or more of them. They are raised from the taxpayers of “administered areas”, who are not liable to the taxation prevailing in British India proper, and they are used for a variety of purposes. Some of the activities financed from them go beyond the sphere of local self-government as understood and accepted at present. Thus, *e g*, expenditure on “Police”, “Jails” and presumably even “Administration of Justice” is at present financed, so far as we can see, from the two local funds of Secunderabad and Aurangabad under the Hyderabad Residency. In our view this arrangement is a relic of the days when governmental functions were not clearly defined and classified. The early history of local self-government in India shows that the administration of these funds has stereotyped certain features which have during the last few decades been discarded more or less all over India. Thus, for example, police expenditure in British India proper used to be financed from the proceeds of the Bengal chowkidari tax but is now financed entirely from provincial revenues. We hold that the raising of local funds for governmental activities which are now classed or treated as “provincial” or “central” is an anomaly which should, as far as possible, be set right, bearing in mind that the residents of “administered” areas do not at present bear the full burden of provincial and central taxation in force in British India proper. In any case, these funds should be exhibited in a handy form, so that the total burden of taxation in the “administered areas” may also be known.

Our concrete proposals in general are —

- (a) that the expenditure from these funds should be sorted out into two classes, *viz*, (i) that on activities appropriate to local self-governing bodies, and (ii) that on provincial and central activities,
- (b) it should be considered whether on the analogy of the practice in British Indian territory the taxpayers of the administered areas should not be relieved of the burden of financing some of the provincial or central activities

(c) even if it be considered inexpedient to lighten taxation in the administered areas, the expenditure on provincial and central activities should, though financed ultimately from local funds, be set forth in full in the "estimates", whether they are placed before the Legislature or not, and

(d) the question of "assimilating" the system of taxation to that in force in the adjoining or the nearest parts of British India proper by "automatic application" should be scrutinised

In support of our proposal (c) we might cite the present practice in regard to police expenditure. Although the Secunderabad local fund makes a full contribution, including leave contribution, for the maintenance of the police kept for that area, the entire expenditure appears in full in the estimates. Other analogous cases can also be cited, *e g*, Pilotage, Lighthouses and Lightships. The same principle can and should be applied to the expenditure on Jails, Justice and the "provincial" aspects of Education, Medical, Public Health, etc., as also to expenditure of the "central" type

We claim that our proposals will help to keep taxation in the administered areas down by bringing the expenditure under the scrutiny of the Finance Department and, in certain cases, that of the Legislature as well. The present anomalous differentiation between the treatment of one administered area and another will tend to be kept under control and may eventually disappear. Incidentally, we might observe that it will make it impossible for the authorities incharge of administered areas to defeat the real object of retrenchment. That the risk pointed out by us is at present real, and not imaginary, will appear clearly from the proposals made by certain political authorities for the transfer of certain classes of expenditure from central revenues to local funds. We have given some illustrations in the case of the Mysore and the Hyderabad Residencies and we may only add that identically the same line of action was suggested by certain political authorities in connection with the retrenchment campaign of 1922-23

(x) *Indianisation*—Finally we wish to record our view that the pace of Indianisation in this department is very slow and should be accelerated. We hold that Indian agency should and must be cheaper, for one thing, overseas pay and passage and other concessions would not be admissible to many Indian Officers, even in the case of those who are entitled to overseas pay, it is generally drawn not in sterling but in rupees, *i e*, at a lower rate. We find very few Indian officers in the cadre of the department and even including Indians holding ex-cadre appointments the number of Indian superior officers is almost negligible. While examining the departmental memoranda and replies we have noted with some concern how the departmental proposals will not merely retard but sometimes even reverse the present policy, limited as it is, in the matter of Indianisation. We have made our recommendations on merits and have not allowed the question, whether a particular post under consideration is held by an Indian or a non-Indian, to influence our judgment. We therefore hope that while giving effect to retrenchment, whether on our lines or otherwise, this aspect of the question will not be lost sight of by the Department. We particularly refer to this matter, as we are aware of the

considerable uneasiness which prevails among many sections of Indians over this issue in connection with the manner in which retrenchment is being effected.

(10) *Survey of India* —With reference to our remarks relating to the Survey of India in Part II of our report we wish to say that the scheme supplied to us gives us little more information than that contained in the memorandum supplied to the Legislature. It lacks the details on which we could record our final opinion on the merits of the retrenchment scheme put into effect by Government.

(11) *Cost* —The estimated total cost of our Sub-Committee is Rs 53,098 excluding the cost of printing, which is not at present known to us. The details are —

	Rs
(a) Travelling and daily allowances of Chairman and Members	17,850
(b) Pay of Secretary and pay and allowances of staff	32,863
(c) Cost of move from Simla to Delhi and back	. 1,345
(d) Contingent expenditure	.. 1,000
(e) Payment to non-official witnesses	40
	<hr/> 53,098

(12) *Responsibility for opinions and proposals* —We wish to express our thanks to the Foreign and Political Department for taking the trouble to verify the facts and figures in the draft report. We wish at the same time to add that the department does not assume any responsibility for the statements, observations, opinions and proposals, contained therein.

(13) Our investigations were completed and the Report was ready by the 2nd May 1932. Some formal changes have, however, been made subsequently and the Report was formally approved of by us on the 22nd June 1932.

(14) *Appreciation of Secretary's and staff's work* —We are very pleased again to record our appreciation of the valuable assistance which our able Secretary, Mr S P Shah, I C S, and Mr N N Singh (his Assistant) rendered to us throughout our proceedings, especially in connection with the drafting of the report. The work connected with this particular enquiry has been of an unusually heavy character, involving references not only to the voluminous documents supplied by the department but also to a number of other official publications. They also took every possible care to see that the facts and figures stated are accurate. We also found our stenographer (Mr Gur Bakhsh Singh, B A) extremely helpful to us in taking down the notes of the proceedings. He did his work very efficiently.

APPENDIX I.

Table showing the sittings and the periods during which the work of the Sub-Committee was interrupted due to sessions of the Legislature, etc

Period	Matters dealt with or causes of breaking up
30th June—24th July .	Preparation of questionnaires
25th July—5th August	Break to allow time for replies
6th August—4th September	Examination of representatives and heads of departments and formulation of proposals regarding the grants disposed of in Part I of the Report
5th September—3rd October .	Break due to Simla session of the Legislature
10th, 11th and 16th September	Meetings during the session of the Legislature to adopt the first Part of the Report.
5th October—29th October	Examination of witnesses and formulation of proposals relating to the grants disposed of in Part II of the Report
4th November—20th November	Break due to special session of the Legislature
13th, 16th and 20th November .	Meetings during the session of the Legislature to consider Part II of the Report
21st November—5th December	Adopted the second Report
14th December—23rd December	Examination of representatives of the Foreign and Political Department and formulation of proposals relating to grants disposed of in Part III of the Report
26th December .	Submission of skeleton scheme relating to Part III to the Hon'ble Finance Member
25th January—6th April	Session of the Legislature
12th and 17th February .	Meetings during the session of the Legislature to consider Part III of the Report
7th April—14th April .	Adoption of Part III of the Report

APPENDIX II

Statement showing the attendance of Members

Names	14th December to 23rd December 1931	12th Feb- ruary 1932	17th Feb- ruary 1932	7th April to 14th April 1932	Total	Remarks
Days of sitting	9	1	1	8	19	
Sir Abdur Rahim	9	1	1	8	19	
The Hon'ble R. B. L. Ram Saran Das	7		1	5	13	
Mr Rangaswamy Ayan- gar	Nil*	.	1	Nil	1	*Was in England in connection with the R. T. C.
Mr S. C. Mitra	8	1	1	7	17	
Mian Muhammad Shah Nawaz	Nil		1	Nil	1	
D. B. Har Bilas Sarda	9	1	1	2	13	
Mr Ramsay Scott	9	1	1	8	19	
K. B. Hafiz Wilayat Ullah	9	1	1	Nil	11	
Mr. J. C. Nixon	8	†	1	2†	11	†Was busy with Federal Finance Sub Committee's Work ‡Left Delhi for Eng- land on 9th April

NOTE —Mr K. C. Roy was a member but he died on 7th September 1931

APPENDIX III

(REFERENCE PARAGRAPH 6 OF CHAPTER I)

Extracts

(1) *The Honourable Khan Bahadur Miran Sir Fazl-i-Husain* —(Page 2067 of Legislative Assembly Debates, Tuesday, 15th March 1932, Volume III, No 2.)

* * * * *

“ I never thought last year that that Committee would bring so much trouble to us (*Laughter*) I do not know whether the House is familiar with one of the numerous Committees this Committee divided itself into, but there was one that I came across very often, and that was the General Purposes Sub-Committee What its purposes were, I do not know, except that it has left hardly any work for me to do. I seldom opened a pamphlet published by this Committee,—and it issued very many,—without seeing that some activity or other was curtailed I wonder whether any Retrenchment Committee will be functioning next year to see to what extent money has been spent by this Committee, but I assure you there is hardly any activity of the Government of India's beneficent departments which has not been most ruthlessly attacked by my own people, the non-official Members of the House.”

* * * * *

Page No 2068

“ Then, amongst other recommendations, one was to the effect that there should be no Council of Agricultural Research Secretariat, that as a separate department it should cease to exist, and that it should be combined with the Department of Education, Health and Lands, as was the case before.” *

* * * * *

(2) *Hon'ble Sir George Schuster.*— * * * *

Page 2075

“ Therefore, they (General Purposes Sub-Committee) recommended almost double the economy in that particular form of activity which the Government have accepted, and as an example of what they have done, I may say they have recommended the abolition of both the posts of scientific experts attached to the Imperial Council of Agricultural Research We felt that if both those experts were to go, the Imperial Agricultural Council would be left unable to perform the most useful part of its functions I quote that as an example for the purpose of showing that when my Honourable colleague (Sir Fazl-i-Husain) spoke of the recommendations of the General Purposes Sub-Committee as in some respects having gone so far as almost to kill the activities of the scientific departments, he was not speaking beyond the truth, he was not exaggerating the picture ”

* * * * *

Comments on inaccuracies in the above extracts.

(1) As for Sir Fazl-i-Husain he apparently knew nothing about our recommendations and it is surprising that he should have made himself reg-

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Days of sitting	9	1	1	8	19	
Sir Abdur Rahim	9	1	1	8	19	
The Hon'ble R B L Ram Saran Das	7		1	5	13	
Mr Rangaswamy Ayan- gar	<i>Nil</i> *		1	<i>Nil</i>	1	*Was in England in connection with the R T C
Mr S C Mitra	8	1	1	7	17	
Mian Muhammad Shah Nawaz	<i>Nil</i>		1	<i>Nil</i>	1	
D B Har Bilas Sarda	9	1	1	2	13	
Mr Ramsay Scott	9	1	1	8	19	
K B Hafiz Wilayat Ullah	9	1	1	<i>Nil</i>	11	
Mr. J. C. Nixon	8	†	1	2‡	11	†Was busy with Federal Finance Sub Committee's Work ‡Left Delhi for Eng- land on 9th April

NOTE —Mr K C Roy was a member but he died on 7th September 1931

APPENDIX III

(REFERENCE PARAGRAPH 6 OF CHAPTER I)

Extracts

(1) *The Honourable Khan Bahadur Mian Sir Fazl-i-Husam* — (Page 2067 of Legislative Assembly Debates, Tuesday, 15th March 1932, Volume III, No 2)

* * * * *

“ I never thought last year that that Committee would bring so much trouble to us (*Laughter*) I do not know whether the House is familiar with one of the numerous Committees this Committee divided itself into, but there was one that I came across very often, and that was the General Purposes Sub-Committee What its purposes were, I do not know, except that it has left hardly any work for me to do I seldom opened a pamphlet published by this Committee,—and it issued very many,—without seeing that some activity or other was curtailed I wonder whether any Retrenchment Committee will be functioning next year to see to what extent money has been spent by this Committee, but I assure you there is hardly any activity of the Government of India’s beneficent departments which has not been most ruthlessly attacked by my own people, the non-official Members of the House.”

* * * * *

Page No 2068.

“ Then, amongst other recommendations, one was to the effect that there should be no Council of Agricultural Research Secretariat, that as a separate department it should cease to exist, and that it should be combined with the Department of Education, Health and Lands, as was the case before.”

* * * * *

(2) *Hon’ble Sir George Schuster* —

* * *

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“ Therefore, they (General Purposes Sub-Committee) recommended almost double the economy in that particular form of activity which the Government have accepted, and as an example of what they have done, I may say they have recommended the abolition of both the posts of scientific experts attached to the Imperial Council of Agricultural Research We felt that if both those experts were to go, the Imperial Agricultural Council would be left unable to perform the most useful part of its functions I quote that as an example for the purpose of showing that when my Honourable colleague (Sir Fazl-i-Husam) spoke of the recommendations of the General Purposes Sub-Committee as in some respects having gone so far as almost to kill the activities of the scientific departments, he was not speaking beyond the truth, he was not exaggerating the picture ”

* * * * *

Comments on inaccuracies in the above extracts.

(1) As for Sir Fazl-i-Husam he apparently knew nothing about our recommendations and it is surprising that he should have made himself reg-

possible for unfounded statements of the character which we have just cited

(2) As regards Sir George Schuster we quote here from our report the attitude taken up by the representative of his own department which we must assume was, to say the least, not unknown to him

Archæology—

“ Our official colleague—Mr Nixon—holds that its expenditure should be reduced so as to cost not more than 9½ lakhs in all, but he has given no details of the scheme he has in view ”

Geological Survey—

“ Our official colleague—Mr Nixon—however, urges that on grounds of financial necessity it should be closed down altogether or for a term of years ”

Other Scientific Departments—

“ Mr Nixon, however, holds that this group of institutions should also be subjected to retrenchment in common with the other departments of Government ”

(3) With reference to the grant of the Council of Agricultural Research we recommended only a reduction by 2½ lakhs while the Finance Department reduced the grant by 5 lakhs. We consider that this action of the Government and not our proposals would “ kill ” one of the activities of the department of Education, Health and Lands

(4) As regards our proposal to abolish the posts of Animal Husbandry and Agricultural Experts attached to the Council we consider this not only feasible but extremely desirable in pursuance of our recommendation that the Pusa institute should be placed under the control of the Imperial Council of Agricultural Research, for sufficient expert advice and help would be available to the Council from Pusa. This is what we said in this connection

“ *Imperial Council* —We see no reason to suggest any modification of the policy which led to the establishment of the Imperial Council for central research. We are also unanimously of opinion that Pusa and Muktesar should be placed under the control of the Imperial Council. We are further agreed that the services of the two Expert Advisers may be terminated. We observe that the two Central Research Institutes maintain all the necessary expert staffs and these can be utilised for such advice as Government might need. We therefore unanimously recommend the abolition of the two posts of Expert Advisers to the Imperial Council of Agricultural Research ”

(5) We could cite many other cases which would show that the attitude of the General Purposes Sub-Committee *vis-a-vis* that of the Finance Department towards grants for scientific research and educational purposes was exactly the reverse of what was represented by the spokesmen of the Government in the Assembly

(6) As regards the cost of the Committee to which Sir Fazl-i-Husain referred, we draw attention to paragraph 11 of Chapter I which will show how wide of the truth is the observation of the Hon'ble Member.

CHAPTER II

GRANT NO 31.—FOREIGN AND POLITICAL DEPARTMENT.

(1) *Functions* —This department deals with —

- (i) External politics, (ii) Relations with foreign States beyond the limits of India, (iii) Consular appointments, (iv) Passports, (v) Indians overseas in all territories under the A mandate, in those administered by a foreign power under a B or a C mandate, in Egypt, and outside the Empire (except in Surinam), (vi) The control of relations with the frontier tribes and of the administration of Frontier Constabulary and Militia employed in connection with such tribes, (vii) the control of the administration of the North-West Frontier Province, Baluchistan, Ajmer-Merwara and the Pargana of Manipur in British India, and of all places in Indian States administered by the Governor-General in Council, save in so far as relates to any particular class of business in any of the said territories or places which is allotted to another Department, (viii) Extradition and extra-territoriality, (ix) the political service, (x) political prisoners, (xi) political pensions, (xii) relations with Indian States and feudatories within the limits of India, (xiii) Indian States Forces, (xiv) the Chiefs' Colleges, (xv) the Indian Orders of the Star of India, Indian Empire and Crown of India and all British Orders, (xvi) Indian titles, and (xvii) ceremonials

(2) *Organisation* —The department is controlled directly by His Excellency the Governor-General and Viceroy. It has two Secretaries (one called Foreign and the other Political), two Deputy Secretaries, two Under Secretaries, two* Assistant Secretaries, one Attaché, two officers on special duty, twelve superintendents (including one temporary), 51 Assistants, 65 clerks, 6 stenographers, a caretaker and 95 servants

(3) *Growth of expenditure and of staff* —The following table illustrates the growth of expenditure —

	1913-	1922-	1924-	1925-	1926-	1927-	1928-	1929-	1930-	1931-
	14	23	25	26	27	28.	29.	30	31	32.
Pay of officers .		3 11	3 13	2 97	3 14	3 71	3 13	3 14	3 39	3 88
Pay of establishment		3 90	3 43	3 50	3 72	3 84	4 00	4 08	4 23	4 47
Allowances, etc	..	1 16	94	1 02	1 14	1 07	1 02	1 03	1 08	1 24
Postage, Telegraph and Telephone Charges .		1 64	70	1 18	1 30	1 47	1 53	1 07	2 70	1 82
Other Contingencies .			33	31	29	30	29	34	30	33
Grants-in aid .					01	01	02			
	7 17	9 81	8 53	8 98	9 00	10 40	9 99	10 56	11 70	11 74

* This description is based on the Estimates. Thus, one of the two special duty posts was later converted into an Assistant Secretary's post, all the same, only the normal number of such posts has been shown.

As regards the growth of staff, the following table gives the necessary information —

	1913-14	1922-23	1924-25	1929-30	1931-32
Superior administrative	8	9	8	10	11
Inferior administrative	9	9	9	10	12
Clerical (excludes temporary staff) ..	84	87	98	127	135
Servants	96	98	91	95	95

(4) *Inchcape proposals* — That Committee recommended that the establishment should be reduced to the pre-war level and the provision for contingencies should be reduced by 50 Taking into consideration the departmental offer of reduction by 47 a budget of 8 95 was recommended (The actuals of 1924-25 and 1925-26 compare favourably with this figure) The provision for 1931-32 shows a growth of a little under 40 per cent over the actuals of 1924-25

(5) *Departmental offer* — The department's final offer consists of the following —

Pay of officers	66
Pay of establishments	45
Allowances	10
Postage and telegram charges	18
Other Contingencies	03
	<hr/> 1.42

The more important items which the department has offered to retrench are —

- (i) discontinuance of the Aitchison's Treaties Branch and the Special Branch and the officer on special duty, (ii) abolition of the posts of Assistant Secretary and Attaché, (iii) abolition of the appointments of 14 Assistants, clerks and stenographers

No reduction has been offered in the Central Cypher Bureau, which is a part of the Foreign and Political Department and the expenditure on which is included under this grant

(6) *Our proposals* — In part II of our Report we have laid down (Chapter I, paragraph 13, page 10) a general plan which we have proposed for all the secretariat departments We recommend that that plan should be applied to this department also. We note from the oral evidence of its representatives that there is no clear demarcation between the foreign and political sides and we believe that the department is one compact whole and functions as such We do not think, therefore, that there is any justification for allowing more than one Secretary We recognise, however, that the position of this department is peculiar and even unique We would, therefore, allow, in addition to the strength of officers laid down in our general plan, a Joint Secretary, an Additional Under-Secretary and an Attaché Thus, the gazetted staff of the department would, on our plan, consist of a Secretary, a Joint Secretary, a Deputy Secretary, two Under-Secretaries and an Attaché The 12 posts of superintendents should be replaced by one of a Registrar and senior assistants should be placed in charge of branches with an allowance of Rs 50 each The provisions for all new items in the current year's grant for the pay of establishments should be deleted

Postage, Telegram and Telephone charges and other contingent expenditure should be reduced by 10 per cent

(7) *Summary of savings* — On our proposals there will be a total saving of 2·75 lakhs, distributed as follows —

Pay of officers 2·12 ; Pay of Establishments ·32 , Allowances, etc.
 ·10 , Postage, telegram and telephone charges 18 , and Other
 contingencies ·03.

CHAPTER III

GRANT NO. 78 — NORTH-WEST FRONTIER PROVINCE

(NOTE — This chapter was drafted before the inauguration of this province as a Governor's province and has been based on the figures and the system and conditions of administration as given in the 1931-32 estimates. Since it was drafted, the Government of India have agreed to grant a subvention of one crore of rupees. We are conscious that it will now be the concern of the Local Government to see how far expenditure on "provincial" subjects can be reduced.)

(1) *Reasons for including North-West Frontier Province in our enquiry* — Towards the end of the second Round Table Conference, it was announced by the Prime Minister that the five settled districts of the North-West Frontier Province would be constituted into a Governor's province at an early date. The enhanced status of the province will automatically involve the separation of "central" from "provincial" finance and it may be asked whether a retrenchment committee charged with a review of "central" expenditure can usefully enquire into expenditure which would before long be classified as provincial. The revenues of the North-West Frontier Province have never been sufficient to cover its expenditure and it has been proposed that the central Government should make a fixed annual subvention to the province to meet the deficiency. The Government of India are thus interested in narrowing the gap between revenue and expenditure in the North-West Frontier Province as far as practicable. We have therefore decided to review all expenditure in the North-West Frontier Province, whether central or provincial.

(2) *The North-West Frontier Province* — The province is situated on the north-west frontier of the Indian Empire between approximately 31° and 37° north and 69° and 74° east. Its extreme length between these parallels is about 408 miles and its extreme breadth between these meridians is 279 miles. The approximate area of the entire province is a little under forty thousand square miles of which only one-third, comprising the five settled districts of Hazara, Peshawar, Kohat, Bannu and Dera Ismail Khan, is British Indian territory in the full sense. The rest is tribal area, in which political control is exercised by the Deputy Commissioners of the adjoining districts or by Political Agents (including the Resident in Waziristan) working under the general control of the Chief Commissioner of the province in his capacity as Agent to the Governor General.

The province falls into three main geographical divisions —

- (i) the cis-Indus district of Hazara,
- (ii) the comparatively narrow strip between the Indus and the hills to the west of the Indus, this strip comprises the districts of Peshawar, Kohat, Bannu and Dera Ismail Khan, and
- (iii) the mountainous region on the north and west between those districts and the borders of Afghanistan.

The tribal area lies to the north and west of the settled districts and is divided into two unequal halves by the wedge constituting the Kurram valley agency. This wedge although essentially a part of the tribal area has, unlike the rest of the tribal area, been under some degree of direct administration by the officers of the Foreign and Political Department.

The population of the province according to the 1931 census is a little under $2\frac{1}{2}$ million in the five settled districts and a little over $2\frac{1}{4}$ million in the agencies and the tribal areas. The latter figure, however, is only an estimate.

The table in Appendix IV (pages 56-57) gives information under various heads about the population of the province.

The province contains only one city of importance, *viz*, Peshawar with a population of 87,440 in the City and 34,426 in the Cantonment. Seven other towns have a population exceeding 10,000, five of these include large military cantonments. The province also has thirteen smaller towns and 1,230 villages, all of which contain over 500 inhabitants each. A further 1,600 villages have a population of less than 500.

(3) *Historical*—The five settled districts became British Indian territory by the proclamation of 29th March 1849, under which the territory under the control of the Lahore State up to the foot of the hills was annexed after the second Sikh War. In 1893 the political boundary between Afghanistan and India was fixed by the Durand Agreement, and the British Indian Government became responsible for the strip of tribal territory intervening between the Durand line and the administrative border of British India. The dealings of the British officials with the tribes on the Indian side of the boundary became more intimate than before. In the earlier days, there was no special agency for dealing with the tribal tracts and relations with the tribes were conducted by the Deputy Commissioners of the adjoining districts,—mostly through the medium of the Khans. In 1878, however, the system of political agencies was started with the appointment of a special officer for the Khyber. The Kurram which was taken from Afghanistan in 1879 was not made a separate agency until 1892 and the three agencies of Malakand, Tochi and Wana were created in 1895-96. Nearly half of the tribal area is under the control of the Deputy Commissioners of the adjoining districts.

From the time of the British annexation of the Punjab till 1901 the settled districts and the adjoining frontier tracts remained under the control of the Punjab Government. In consequence of the decision of His Majesty's Government, "that the conduct of external relations with the tribes on the frontier should be more directly than heretofore under the control and supervision of the Government of India", the entire area was taken under the immediate charge of the Government of India in 1901. This was done by constituting the settled districts and the adjoining tribal area into the North-West Frontier Province.

The North-West Frontier Province was not admitted to the benefits of the Reforms under the Government of India Act, 1919, and the last decade has witnessed an enormous growth of political consciousness. Among certain sections it took the form of a demand for re-amalgamation with the Punjab. A committee of enquiry under Mr (now Sir Denys) Bray's Chairmanship was appointed by Government in 1922. It found that the bulk of opinion was against re-amalgamation. Further, it recorded its opinion that in the existing conditions it was not merely inexpedient but for all practical purposes impossible to separate the administration of the five settled districts from the political

control of the adjoining unadministered tracts On these grounds a majority of that Committee held that re-amalgamation with the Punjab was out of the question

(4) *Special features* —The internal administration of the province is more or less on the lines of that obtaining in the other provinces of India, especially the Punjab It is, however, alleged that the proximity of the tribal area inhabited by about $2\frac{1}{4}$ million men belonging to one of the most warlike races in the world imposes special obligations on the administration The defence problem on the North-West Frontier is also, in a special sense, of an all-India character It is further stated by some authorities that owing to the special Pathan customs and social code and the ease with which arms can be obtained, the administration of the area possesses a complexity which perhaps has no counterpart in any other portion of British India or the Indian Empire

(5) *Expenditure and Revenue* —The following tables show the Expenditure (Table A) and the Revenues (Table B) of the Province An accurate classification into "central" and "provincial" is not possible without extensive adjustments Nevertheless, the subjects known as "provincial" in a Governor's province have been shown separately from the subjects generally classified as "central" All expenditure relating to the province, whether it is shown in the "area" grant or elsewhere, has been included

TABLE A —EXPENDITURE

	1924- 25	1925- 26	1926- 27	1927- 28	1928- 29	1929- 30	1930- 31	1931- 32
Land Revenue	6 44	7 30	7 27	6 23	5 82	4 60	3 72	3 45
Excise	34	5 62	4 85	5 90	5 68	5 83	6 06	5 97
Stamps	28	38	51	30	26	28	20	21
Forests	5 89	5 47	6 41	9 49	8 53	8 40	8 33	9 03
Irrigation	24 36	22 29	23 33	23 34	26 14	25 60	27 36	22 54
Registration	11	12	12	13	14	14	15	15
General Administration	16 33	16 53	16 78	17 23	17 37	19 26	20 10	20 19
Administration of Justice	5 62	6 21	7 02	7 42	7 55	7 71	7 90	7 90
Jails and Convict Settlements	5 92	6 57	6 92	7 24	7 55	8 23	8 84	10 08
Police	27 02	27 38	27 32	27 42	28 36	29 46	35 19	31 85
Scientific Departments	04	06	06	05	05	05	05	05
Education	11 75	12 19	13 24	17 73	18 59	19 77	20 68	22 11
Medical	3 95	4 45	4 89	4 21	4 21	6 17	7 15	8 27
Public Health	1 72	82	1 05	85	1 02	1 05	1 16	1 29
Agriculture, etc	1 28	1 47	1 50	1 56	1 53	1 93	2 35	2 84
Industries	..	..	..	..	07	.	..	..
Miscellaneous Departments	06	03	03	02	02	02	03	03

TABLE A —EXPENDITURE—*contd*

	1924- 25	1925- 26	1926- 27	1927- 28	1928- 29	1929- 30	1930- 31	1931- 32
Civil Works (including Frontier Watch and Ward)*	50 98	52 91	49 90	56 21	70 99	88 18	102 46	77 25
Famine Relief			.				25	
Superannuation Allowance and Pensions	3 44	5 15	5 48	4 90	4 59	4 80	4 89	4 89
Stationery and Printing	1 05	93	1 25	1 07	1 01	1 23	1 30	1 27
Miscellaneous Charges	68	1 21	75	59	71	80	79	79
Total "Provincial" Subjects	167 26	177 09	178 68	191 98	210 19	233 51	258 96	230 16
Customs	09	13	13	14	14	14	15	15
Taxes on Income	53	57	62	71	70	73	78	79
Ecclesiastical	96	75	89	87	88	81	89	86
Political	22 11	21 55	22 55	22 65	23 86	24 38	32 31	27 16
Currency	02	05	03	03	04	03	04	05
Frontier Watch and Ward (excluding Works)	92 69	98 90	97 67	94 96	93 84	95 11	101 40	95 85
Territorial and Political Pensions	53	50	51	47	45	53	48	46
Interest <i>Net</i>	—8 14	—8 36	—8 32	—8 34	—8 48	Not available		
Total "Central" Subjects	108 79	114 09	114 08	11 49	111 43	121 73	136 05	125 32
GRAND TOTAL	276 05	291 18	292 76	303 47	321 62	355 23	395 01	355 48

*Works relating to F. W. W. are included here because of the difficulty of sorting out the expenditure on them prior to 1927-28

TABLE B —REVENUES

	1924- 25	1925- 26	1926- 27.	1927- 28	1928- 29	1929- 30	1930- 31	1931- 32
Land Revenue	21 96	21 87	24 16	22 95	19 85	21 07	21 18	21 01
Excise	5 38	5 55	4 89	15 41	11 66	10 72	9 99	9 95
Stamps	12 14	11 89	11 30	11 29	11 52	10 91	9 89	9 89
Forest	6 70	7 44	7 91	7 57	8 29	8 64	9 61	10 00
Registration	83	85	81	77	78	76	64	69
Irrigation	16 43	17 51	21 11	11 54	15 71	9 45	8 13	13 07
Justice	2 83	2 39	2 38	2 59	2 27	1 92	1 65	1 65
Jails	1 10	1 13	1 13	1 23	1 19	1 36	1 37	1 39
Police	24	15	31	46	55	67	65	68
Education	74	37	44	50	56	64	61	63
Medical	02	01	01	01	50	37	86	77
Public Works		01	01	03	02	02	05	05
Agriculture	36	35	53	14	30	32	35	35

TABLE B.—REVENUES—*contd.*

	1924- 25	1925- 26.	1926- 27.	1927- 28	1928- 29	1929- 30.	1930- 31	1931- 32
Industries ..	..	.	..	.	.	.	..	.
Miscellaneous Departments	.	·01	·02	01	03	02	02	02
Civil Works .	74	54	·67	·74	·63	·45	·37	·55
Superannuation, Allowances and Pensions	·74	1·04	74	46	36	39	38	·35
Stationery and Printing	·18	33	42	15	26	62	40	29
Miscellaneous	4 89	3 85	4 28	3 93	4 69	6 37	5 08	5 59
Total "Provincial" [Subjects .	75 28	75 29	81 12	79 78	79 17	84 70	71 23	76 93
Customs	01	03	02	02	01	02	01	·02
Taxes on Income	6 55	7 85	10 10	9 85	9 73	9 87	9 87	8 89
Opium	72	69						
Interest	49	46	76	1 23	92	77	77	93
Currency	09	09	07	07	06	07	07	07
Total "Central" Subjects	7 86	9 12	10 95	11 17	10 72	10 73	10 72	9 81
GRAND TOTAL	83 14	84 41	92 07	90 95	89 89	95 43	81 95	86·74

(6) *Analysis of expenditure and of its growth*—The total 1931-32 grant for the province is 246 78 lakhs. This figure, however, does not include expenditure incurred in the North-West Frontier Province but included in other grants, *e g*, Civil Works, Irrigation, Pensions, etc. The "area" grant of 246 78 lakhs may be analysed as below—

(1) Expenditure on the collection of Land, Forest and other revenues .	18 81
(2) General Administration	18 89
(3) Law and Order	172 84
Administration of Justice	7 90
Jails	10 08
Police	31 85
Political	27 16
Frontier Watch and Ward	95 85
(4) Ecclesiastical	86
(5) Education	22 11
(5) Medical	8 27
(7) Public Health	1·29
(8) Agriculture Veterinary, Co-operative Credit, Museum, Provincial Statistics and Miscellaneous Departments	2 92
(9) Miscellaneous	79

246 78

The reasons for the growth of expenditure will, as far as practicable, be explained as part of our proposals, under the account heads concerned. We may, however, give a broad outline of the more important ones here. After

NOTE—Political expenditure has been shown under "Law and Order", because in fact it represents expenditure on the maintenance of "Law and Order" in the tribal territory, it is not our intention to suggest that it should all be classified as "provincial" for purposes of the reformed constitution.

explaining that the net increase of expenditure on what may be termed "provincial" subjects during the six years ending with 1929-30 was about 60 lakhs, Mr. Jukes said —

- “(a) Expenditure of 5 52 under Forests and Irrigation is expected to prove remunerative.
- (b) 35 52 under Civil Works is largely due to the requirements of the defence of the North-West Frontier of India, which is properly classed as a central subject
- (c) A further sum of about 5 50 is purely non-recurrent expenditure
- (d) The balance of about 11 50 is due, in the main, to general growth of work under General Administration, Administration of Justice, Jails and Police, to the requirements of the five-year programme of educational expansion and to the development of Veterinary and Co-operative services”

As regards "central" subjects, he observed that the growth of expenditure was almost entirely confined to "political" and "frontier defence"

He further remarked that during this period the real increase in the revenues of the province including revenues of a "central" character was only two lakhs. Considering that "central" revenues alone rose by 2 15 lakhs it may be said that provincial revenues remained almost stationary except that under irrigation and forests there was a growth of 7 43 lakhs, which, however, was merely the normal result of additional productive capital outlay. To sum up, expenditure grew in these six years by nearly 67 lakhs of rupees, but revenues rose *really* by only 2 (though *nominally* by 14½) lakhs

Taking into consideration the expenditure on Frontier Watch and Ward and on the buildings and communications in connection therewith the North-West Frontier Province is now a "deficit" province to the extent of 268 74 lakhs. Even if the "provincial" figures of revenue and expenditure are considered, the excess of expenditure over revenue is 115 22 lakhs. This calculation, however, assumes that the entire existing expenditure on General Administration, Police, Civil Works, Pensions, Stationery and Printing and Miscellaneous, is "provincial". Such an assumption would not be correct, but we cannot sort out these charges into "central" and "provincial"

(7) *Inchcape Proposals* — "The Inchcape Committee observed that expenditure on the North-West Frontier Province had grown from 122 41 in 1913-14 to 277 21 in 1922-23, while the revenue had grown from 47 53 to only 73 40 and remarked as below —

"The great increase in the case of this administration has attracted much attention in the Legislature and elsewhere and a local Retrenchment Committee was appointed to consider the possibilities of effecting economies. Of the total increase of 154·80 no less than 135 22 has occurred under the following four heads —

	1913-14	1922-23.
Political	Rs 31,60,000	Rs 1,18,51,000
Police	17,05,000	47,78,000
General Administration	5,93,000	17,38,000
Education	4,88,000	11,05,000
Total	59,46,000	1,94,72,000

The increase under Political and Police is mainly due to special measures adopted for the defence of the North-West Frontier "

We may observe that expenditure under " Political " which then included Frontier Watch and Ward has since 1922-23 grown from 118 51 to 133 71 in 1930-31 Expenditure on General Administration has also grown from 5 93 in 1913-14 and 17 38 in 1922-23 to 18 89 in 1931-32. These two heads show how expenditure in this province has been growing apace since 1913-14

The following table shows the expenditure in 1913-14, 1922-23, 1924-25 and 1931-32 as also the savings proposed by the Inchcape Committee under each head of account —

	1913-14	Budget 1922-23.	1924-25	Savings proposed by the Inchcape Committee	Budget 1931-32
Land Revenue	4 97	5 26	6 44	1 68	3 45
Forests	1 31	7 50	5 89	<i>Nil</i>	9 03
Irrigation	7 04	10 27	24 36	<i>Nil</i>	22 54
General Administration	5 93	17 38	16 33	<i>Nil</i>	20 19
Administration of Justice	4 70	4 58	5 62	30	7 90
Jails	2 10	5 58	5 92	25	10 08
Police	17 05	47 78	27 02	19	31 85
Political and F W. W	31 60	1,18 51	1,14 80	26 27	1,23 01
Education	4 88	11 05	11 75	1 66	22 11
Civil Works	34 83	32 05	50 98	<i>Nil</i>	77 25
Other heads of account	8 00	17 25	6 94	5 67	28 07
	1,22 41	2,77 21	2,76 05	36 02	3,55 48

(8) *Departmental proposals* —The Department originally surrendered 7 59 lakhs from the total sanctioned grant of 246 78 lakhs (1931-32) for the North-West Frontier Province, and at the same time offered to scrutinise the feasibility of further retrenchment The cuts made were mostly of a temporary nature

Subsequently the following savings were informally offered In certain cases the offers were revised in the course of the oral evidence We show below the offers (original and revised)

	First offer	Second offer
Land Revenue		10
Forests		93
Excise, Stamps and Registration		22
General Administration	3 92	1 02
Ecclesiastical		07
Political		1 24
Medical		25
Public Health		17
Agriculture, etc		13
Miscellaneous		04
Administration of Justice	70	68
Jails	1 90	1 02
Police	2 34	2 11
Frontier Watch and Ward	3 64	3 04
Education		2 37
	12 50	13 39

We shall take account of these in our own proposals. Here we shall only remark that the second offer falls appreciably below the first in respect of subjects like "Jails", "Police", "Frontier Watch and Ward", etc.

(9) *Our proposals* — We may now proceed to make our proposals under each head of account. We shall as far as possible take note of the recommendations of the Inchcape Committee, Mr. Jukes' review and the departmental proposals and then make our own recommendations in the light of the information in our possession.

(1) *Account I — Land Revenue.*

The total provision for 1931-32 for the collection of land revenue is 3 45 lakhs, viz —

Charges of administration	..	..	..	..	..	225
Survey and settlement	..	..	..	..	..	020
Land Records					..	2 925
Miscellaneous					..	280

The Department has explained that in a province where men are prone to settle disputes relating to land by violence in preference to legal processes, the maintenance of as accurate land records as possible is of unusual importance. Before the Inchcape Committee reported, the province had 991 patwaris and kanungoes. The number was, however, reduced after that committee reported to 840 in 1924-25. An appreciable deterioration in the maintenance of land records was noticed, hence in 1930-31 the number was again raised to 898. The provision in 1931-32 for this establishment is 2 57 lakhs.

In the course of its oral evidence the Department has offered a saving of Rs 10,000. *Prima facie*, the number of patwaris and kanungoes can be substantially reduced and other economies can be effected. The possibility of reducing the expenditure by 30 lakhs should be considered.

(11) *Account II — Forests*

The province possesses valuable forest areas which supply the need not only of the civil population but also of various cantonments lying all over the province. The following table shows the Expenditure, Revenue and Surplus not only in recent years but also in certain years preceding the war period —

	1913-14	1922-23	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32
Revenue	2 67	7 28	6 70	7 44	7 91	7 57	8 29	8 64	9 61	10 00
Expenditure	1 31	6 12	5 89	5 47	6 40	9 50	8 53	8 32	8 33	9 03
Surplus (+)	+1 36	+1 16	+ 81	+1 57	+1 51	—1 93	— 24	+ 32	+1 28	+ 97
Deficit (—)										
	1880-81 to 1889-90 (average)		1890-91 to 1899-1900 (average).		1900 01		1903 04.			
Revenue	78		87		89		83			
Expenditure	60		62		53		52			
Surplus	+ 18		+ 25		+ 36		+ 31			

It will be seen that while expenditure has been growing almost steadily, the ratio of surplus to expenditure has, broadly speaking, been declining. The bulk of the expenditure, *viz*, 6.47 out of 9.03 lakhs is for conservancy and works. The noticeable reasons for the growth of expenditure since 1924-25 are —

- (i) The introduction of several revised working plans and more extensive timber extraction and resin and fuel operations
- (ii) Conversion of a post of Deputy Conservator into that of a Conservator and the creation of an additional Indian Forest Service post in connection with the formation of a new forest division at Peshawar
- (iii) The introduction of incremental scales of pay.
- (iv) Grant of special pay of Rs. 50 per mensem to Extra Assistant Conservators
- (v) Appointment of additional staff and grant of increased compensatory allowances and other concessions to the office staff of the Deputy Conservator of Forests
- (vi) Certain changes of accounting, whereby provision is being made for *Interest and Capital Outlay charged to Revenue*, have also brought about some nominal increase in expenditure

Mr. Jukes referred to the tendency to overestimate revenue and gave the estimates of 1929-30 and 1930-31 as instances of such a tendency.

In reply to our questionnaire enquiring whether the forests in the North-West Frontier Province can be regarded as self-supporting, when pensionary charges and other items of real expenditure are taken into account, the Department informed us that taking pensionary charges into account the Hazara forests by themselves were self-supporting and that it was hoped that the Peshawar Division would also become self-supporting after some time. It also replied that the rates charged to the army department for forest produce, especially fuel and timber, "are reported to be fair market rates". In view of the small margin between revenue and expenditure we enquired whether capital expenditure could not be suspended for a term of years. The department replied that in the existing circumstances revenue could be increased only if the condition of the market improved, and that all proposed developments were expected to bring revenue in course of time and Government were likely to be faced with heavy expenditure in future if the measure now contemplated for the prevention of further denudation and increased floods were not continued. Originally a saving of 88 lakh was offered by the department for 1931-32 but it is not known what portion of this amount was intended to be permanent reduction of expenditure.

In the course of its oral evidence, the department has offered to effect savings of 0.93 lakhs.

As regards staff, a Deputy Conservator on Rs. 950 per mensem has been replaced by a junior Indian Forest Service officer on Rs. 425 per mensem and the posts of three Rangers, three Deputy Rangers, four Guards and five

temporary clerks have been left unfilled. Beyond this the Department considers it impossible to go without seriously affecting the efficiency of management, adding that "establishment expenditure in the North-West Frontier Province actually compares very favourably with that in other provinces."

Our proposals — We notice that revenue has not increased commensurately with the growth of expenditure and we are not sure that taking all items of real expenditure into account forest operations do not involve actual loss to Government. We consider that the department's offer to save 93 is inadequate. In times of financial stress like the present, forest schemes involving capital outlay, whether financed from revenues or otherwise, should be slowed down.

We suggest that the provision should be reduced by two lakhs. We realise that the reduction of expenditure as suggested by us will be accompanied by a reduction of receipts, but we expect the administration to give effect to the cut proposed by us in such a way as to cause the minimum diminution of revenue. The expenditure should be overhauled after a thorough scrutiny so as to make the forests of the province not only self-supporting but also a source of real revenue.

(iii) *Account III — Other Direct Demands on the Revenue*

The total provision under this head is 6.33 and is made up of 5.97 for Excise, 21 for Stamps and 15 for Registration.

In pursuance of the accepted policy, *viz*, that "duty should follow consumption" the North-West Frontier Province now receives as revenue the duty on liquor consumed in the province, but pays to the Punjab and the United Provinces compensations aggregating 4.47 lakhs for the loss of revenue (in the form of still-head duty) which is said to have been taken into calculation at the time of the Meston Settlement. The actual calculation is stated to have been based on the receipts during the three years prior to 1921. Of the remaining 1.50 lakhs, 48 represents the cost of opium supplied to the Excise Department of the North-West Frontier Province, while 15 is provided for the payment of compensations. Thus, our proposals for retrenchment can only apply to the remaining 87 lakh in respect of Excise, 21 in respect of Stamps and 15 in respect of Registration, *i e*, to 1.23 lakhs in all.

The Department has offered a saving of 22, *i e*, of nearly 18 per cent of the provision amenable to retrenchment. We consider the offer satisfactory and recommend its acceptance.

(iv) *Account IV — Irrigation*

There is no provision in the "area" grant for 1931-32 under this head. The Public Works and Audit and Accounts Departments Sub-Committee has already reviewed this expenditure.

(v) *Account V — General Administration*

The province has at its head a Chief Commissioner under the direct control of the Government of India. On him devolve the ordinary administrative functions of a Local Government in respect of the five settled and administered districts. In respect of the tribal area he is also Agent to the Governor-General.

Growth of Expenditure—The expenditure under this head has fluctuated as below —

	1913-14	1922-23	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1931-32
A.—Chief Commissioner		1 25	1 80	1 60	1 51	1 51	1 48	1 80	1 63
B.—Secretariat		2 13	1 74	1 95	1 97	2 08	2 02	2 14	2 04
C—Local Fund Audit			06	05	06	07	07	12	11
D—Revenue Commissioner		1 32	1 30	1 50	1 59	1 58	1 56	1 70	1 67
E—Development Commissioner									60
F—District Establishments		13 26	11 43	11 36	11 65	11 91	12 16	12 38	12 73
G—Miscellaneous Discretionary grants				06		07	07	09	10
	*10 53	17 96	16 33	16 52	16 78	17 22	17 36	18 23	18 88

*Approximate

A We observe that the pay attached to the Chief Commissioner's post was raised with effect from 31st August 1927 from Rs 4,000 to Rs 5,500 His sumptuary allowance was, however, reduced from Rs 12,000 to Rs 6,000 per annum He gets a fixed travelling allowance of Rs 3,000 per annum There has been no change in recent years in the personal staff of the Chief Commissioner consisting of a Personal Assistant on the scale applicable to the Political Department, an Indian Assistant (Rs 300—850), who is borne on the cadre of Extra Assistant Commissioners, two clerks and 21 servants

B As regards his secretariat, the staff and expenditure have varied as shown below —

Expenditure	1922-23	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32
Pay of officers	63	52	55	53	58	56	55	49	53
Pay of establishment	78	71	79	83	92	87	91	99	1 02
Allowances	22	09	11	16	17	14	19	13	12
Supplies and Services	} 50	42	50	44	41	44	49	92	36
Contingencies									
Grants-in-aid									
	2 13	1 74	1 95	1 97	2 08	2 02	2 14	2 53	2 04
Numbers									
Officers		..	3	4	4	4	4	4	4
Clerical			32	38	46	46	46	46	46
Inferior			28	32	33	33	33	33	33

The Secretariat consists of two Secretaries on the Foreign and Political Department scale of pay, one Assistant Secretary (Rs 500—850), a Mir Munshi (Rs. 300—850), 43 ministerial and 33 servants

C *Local Fund Audit*—The expenditure varies with the receipts and expenditure of the local funds concerned and, so far as we can ascertain, is recovered in full from those funds

D. Revenue Commissioner—The staff and expenditure of the Revenue Commissioner and his office have varied as shown below —

	1922- 23	1924- 25	1925- 26	1926- 27	1927- 28	1928- 29	1929- 30	1930- 31	1931- 32
Pay of officers	36	42	52	52	55	50	64	53	53
Pay of establishment	67	60	62	69	71	73	73	77	80
Other charges	29	28	36	38	32	33	33	36	34
Total	1 32	1 30	1 50	1 59	1 58	1 56	1 70	1 66	1 67
Officers			2	3	3	3	3	3	3
Clerical		.	32	41	40	40	41	41	41
Inferior			28	28	28	28	28	28	28

The principal reasons for the growth of expenditure are —

- (i) Conversion of a post of Registrar into that of an Assistant Secretary.
- (ii) Revision of the pay of the staff in 1925-26
- (iii) Addition to the clerical establishment

E Development Commissioner—The 1931-32 budget contains a new provision of Rs 60,000, *viz*, Rs 36,000 for the pay of the Development Commissioner and Rs 24,000 for his staff. In the course of its oral evidence, the Foreign and Political Department stated that this post would not be continued, but we hold that the new constitution for the province will undoubtedly involve the creation of certain high posts

F District Establishment—The strength of the staff and the expenditure on the District Establishment have varied as shown in the following two tables —

	1922- 23	1924- 25	1925- 26	1926- 27	1927- 28	1928- 29	1929- 30	1930- 31	1931- 32
Pay of officers	4 19	3 88	3 64	3 57	3 63	3 64	3 73	3 94	3 96
Pay of General Establishment	2 15	2 14	2 14	2 13	2 14	2 26	2 33	2 42	2 51
Pay of Treasury Establishment	41	42	46	45	48	47	45	49	49
Pay of Sub-Divisional Establishment	1 75	1 49	1 62	1 67	1 71	1 63	1 70	1 74	1 71
Pay of other establishments	21	27	58	30	37	41	41	42	41
Travelling allowances	} 1 82	{ 96	83	84	1 12	1 15	1 07	1 06	1 06
Other allowances			21	80	64	76	83	84	86
Supplies and Services	..	03	04	04	03	01	01	02	01
Contract Contingencies	} 2 72	2 24	1 33	1 34	1 32	1 26	1 26	1 34	1 19
Other Contingencies			50	53	47	55	59	54	52
Grants-in-aid	..	..				02		01	01
Numbers	13 25	11 43	11 35	11 67	11 91	12 16	12 38	12 82	12 73
Officers			..	37	39	.	40	40	
General Establishment	.	.		364	358	.	367	370	
Treasury Establishment	.	.	..	36	40	..	35	39	
Sub-Divisional Establishment	.	.	.	426	422	..	429	424	

Apart from the accrual of annual increments, the main reasons for the growth of expenditure between 1924-25 and 1929-30 were —

(i) The appointment of an Extra Assistant Commissioner with his staff in 1925-26 for the disposal of judicial work formerly dealt with by the Cantonment Magistrate of Peshawar.

(ii) Revision of pay in 1925-26.

(iii) Addition to the sub-divisional establishments in 1927-28 and to other establishments in various years.

& *Miscellaneous Discretionary Grants*.—Expenditure under this head is of a fluctuating nature

Departmental Offer—The Department originally offered a saving of Rs 57,700, but in the course of its oral evidence it offered to raise the figure to 1.02 lakhs

Our Proposals—We recognise that the constitution of the North-West Frontier Province into a Governor's province will cost more than at present so far as we can gather, the new constitution provides for the following new posts —

(i) an Executive Councillor,

(ii) a Minister, and

(iii) a Secretary to the Local Government in the Transferred Departments

We can make our proposals only on the basis of the present scale of expenditure. We are content to accept the Departmental offer of 1.02 lakhs, provided the savings offered are genuinely permanent. We consider that it should not be difficult to effect economy and may proceed to mention a few concrete cases illustrating the manner in which it can be brought about—

(a) But for the fact that the status of the province is going to be raised, we might have suggested a revision of the pay, allowances and other emoluments of the head of the province

(b) We recommend that the provision for tour expenses (Rs 35,500 in 1931-32) should be substantially curtailed, the Chief Commissioner voluntarily curtailing certain of his privileges

(c) We think it should be feasible to amalgamate the post of Mir Munshi in the secretariat with that of the Indian Assistant or Registrar.

(d) One of the two posts of Assistant Secretary and Personal Assistant to the Revenue Commissioner might be abolished, unless the nature of work in connection with the inauguration of the new constitution requires the retention of both posts. The number of Deputy, Assistant and Extra Assistant Commissioners' posts might be reduced. We see no justification for the increase from 16 to 18 in the number of Deputy and Assistant Commissioners' posts in 1925-26. At the same time we note that the number of subordinate gazetted officers remains the same. Apart from

savings on pay the reduction in the strength will yield certain "consequential" savings under "establishment", "allowances" and "contingencies"

(vi) *Account VI.—Administration of Justice*

The table below shows the progress of expenditure —

	1924- 25	1925- 26	1926- 27	1927- 28	1928- 29	1929- 30	1930- 31	1931- 32
Law Officers	36	39	39	44	43	49	59	53
Judicial Commissioner	79	80	1 20	1 27	1 30	1 34	1 35	1 37
Civil and Sessions Courts	3 38	3 75	3 84	4 12	4 18	4 23	4 32	4 40
Criminal Courts ..	1 08	1 27	1 58	1 59	1 64	1 64	1 64	1 60
	5 61	6 21	7 01	7 42	7 55	7 70	7 90	7 90

The principal reasons for this growth were — (i) The appointment of an Additional Judicial Commissioner with the necessary staff with effect from 1st April 1926 in accordance with the recommendation of the Bray Committee that the principal court of this province should have not one but two judges. (ii) The province used to have two District Judges but a third post was made permanent before 1924. A fourth judge has had to be appointed from time to time to clear off the arrears. (iii) Increments, revisions of pay and increase of staff. The following table shows the total number of cases, civil and criminal, disposed of in the various courts of the province. The number of judges available has also been shown side by side with the number of cases —

Court	No. of Judges			Cases disposed of		
	1913.	1924	1930	1913	1924	1930
Judicial Commissioner	1	1	2	750	1,234	1,248
District Courts	2½*	3	3½*	1,644	2,371	2,741
Senior Subordinate Judges	4	5	5	1,547	2,127	2,704
Judicial Extra Assistant Commissioners		4½*	4		2,812	3,263

* This denotes that an additional officer was employed to cope with the arrears, etc., for a part of the year in question

Departmental Proposals — In the course of its oral evidence, the Department offered a saving of 68 lakh. We, however, consider that in this province nothing should be done to hamper the development of a proper modern judicial system and in fact every attempt should be made to inspire the population of this province with respect for the judiciary so that disputes could be settled not by the arbitrament of the rifle but by a trained and dependable judiciary. We therefore propose that the Department should not be pressed to offer any further saving, and recommend that its offer of 68 lakh be accepted. We are not sure that this sum covers the temporary post of Additional Judge at Peshawar, but we record our opinion that it seems unnecessary to retain him. If at a later stage pressure of work justifies the revival of the post, it might then be revived.

(vii) *Account VII — Jails*

Even during the past eight years the expenditure on Jails and Convict Settlements shows an enormous rise, viz., from 5 93 in 1924-25 to 10 08—the

budget provision for 1931-32. It will also be noticed from the following table that the growth of expenditure has been going on uninterruptedly from year to year —

	1924- 25	1925- 26	1926- 27	1927- 28	1928- 29	1929- 30	1930- 31	1931- 32
Pay of officers	24	23	24	26	28	28	31	32
Pay of establishments	1 32	1 40	1 47	1 53	1 73	1 81	1 99	1 99
Allowances, etc	04	06	05	05	08	10	10	09
Dietary Charges	1 49	2 24	2 26	2 60	2 48	2 86	3 00	2 71
Other Supplies	1 26	1 13	1 48	1 51	1 67	1 88	2 16	1 82
Contingencies	18	20	27	26	21	21	23	22
Lump provision for establishment and other charges for the Haripur Jail	.	.	.	.	.	.	.	1 98
Charges paid to other Governments, etc	74	79	59	42	29	22	15	12
Deduct cost of convict labour supplied to Jail Press			— 05	— 14	— 14	— 14	— 14	— 14
Jail Manufactures	65	52	61	75	95	1 02	1 04	97
	5 92	6 57	6 92	7 24	7 55	8 24	8 84	10 08

Mr Jukes remarked that the growth of expenditure may be generally ascribed to the growth of the jail population, as much as 1 69 lakhs being due to increased outlay on dieting and on supplies and services. Additional posts were sanctioned in 1925-26, 1927-28 and 1928-29 with the result that the establishment which was 330 in 1926-27 now numbers 430. A whole-time post of Superintendent was created in 1928-29 for the Peshawar Jail, while two posts of Jailors were converted into those of Superintendents. A new provision of 1 98 lakhs has been made in the 1931-32 budget for the opening of the new Central Jail at Haripur which has been constructed at a cost of 22.43 lakhs.

Departmental offer —In the course of its oral evidence, the Department offered a saving of 1 02 lakhs. We do not know how much out of this amount represents a permanent saving.

Our proposals —We consider the departmental offer inadequate. We hold that neither the growth of the jail population nor the construction of a new central jail afford a favourable comment on the administration of the province. Having regard to the creation of the new province we trust that with the development of new activities it may be possible to effect larger economies in the expenditure on jails. We recommend that the jail budget should be reduced to approximately the level of the budget provision for 1929-30. This will yield a saving of two lakhs. We must, however, make it clear that we recommend no reduction whatever in the scales (qualitative and quantitative) of dieting, clothing and other facilities, amenities or concessions available to prisoners confined in the jails of this province with its trying extremes of climate. To the extent that a fall in prices enables any reduction to be made in the provision for jails, we have of course no objection to such reduction.

(viii) *Account VIII—Police*

Expenditure has grown as shown below —

	1924- 25.	1925- 26	1926- 27	1927- 28	1928- 29	1929- 30.	1930- 31	1931- 32
Superintendence . . .	1 00	95	1 03	1 07	1 09	1 16	1 34	1 18
District Executive Police . .	23 50	24 13	24 34	24 07	24 70	25 96	31 82	28 20
Railway Police . . .	96	99	93	1 01	1 26	1 02	1 06	1 06
Police Training School Establishment charges paid to other Governments, etc.	38	11	10	10	11	10	15	10
Criminal Investigation Department ..	1 15	1 13	88	1 11	1 15	1 18	1 58	1 26
Cattle Pounds . . .	03	02	03	03	03	03	03	03
Miscellaneous . . .	02	02	02	02	01	02	02	02
<i>Deduct</i> Probable savings							— 80	
Total . . .	27 04	27 35	27 33	27 41	28 35	29 47	35 20	31 85

During the period 1924-25 to 1931-32 police expenditure has grown from 27 04 to 31 85, *i e.*, by a little under 5 lakhs. The peak was reached in 1930-31. As regards the strength of the police force, including the mounted police, we observe that the “Detailed Estimates” of the N W F P do not, unlike those of Delhi, give any numbers, we are therefore unable to ascertain whether and to what extent the police force has grown.

Analysing the causes of the growth of expenditure Mr Jukes observed that between 1924-25 and 1929-30 an expansion of the police force costing an additional 1 10 lakhs (approximate) had taken place. In 1924-25 two new posts of a Superintendent and an Assistant Superintendent were created. In 1926-27 the post of Prosecuting Inspector was converted into that of a Deputy Superintendent. Increases in the police force were sanctioned in 1925-26 and 1927-28 for Dera Ismail Khan and Bannu respectively. The budget for 1931-32 includes a provision of 1 45 for the employment of temporary additional police in connection with the disturbances on the frontier and for the protection of railways and of 67 for the replacement of arms and ammunition. The pay and allowances were also revised in 1929-30, on the lines followed in the Punjab.

Departmental offer and our proposals —In the course of its oral evidence the Department offered a saving of 2 11 lakhs but we do not know what portion of this offer represents a permanent reduction of expenditure. Even after making allowance for the peculiar conditions prevailing in this province, we consider that a provision of 31 85 lakhs for the purpose of policing a province of this size is considerably in excess of its requirements. We notice that the revised estimates for 1931-32 exceed this figure by as much as 2 05 lakhs. The growth of police expenditure at this rate in a period of falling prices fills us with a feeling of uneasiness; under its reformed constitution the province will find such

expenditure a heavy drain on its resources. We recognise that the ordinary district police in this province has to be better armed and equipped and has to work in effective co-operation with the Frontier Constabulary and certain other "civil forces" which are maintained for the defence of the border and to deal with trans-frontier crime. Even then we consider that the expenditure can and should be substantially curtailed. We propose a normal provision of 27 lakhs on the current year's basis. We may add that our proposal will still give the province a police grant which is only about Rs 40,000 less than the actuals of 1927-28 and only about a quarter of a lakh less than the average (*viz* 27-28) of the four years 1924-25 to 1927-28. "Police" will soon become a provincial subject and notwithstanding the Government of India's statutory right of "superintendence, direction and control" in respect of "reserved" subjects the province will enjoy a larger measure of independence as regards its police arrangements than it does at present. We therefore do not consider it necessary to work out the details of the reduction proposed by us.

(ix) *Account IX—Ecclesiastical*

We have already dealt with this non-voted expenditure in Part II of our Report. We have there taken into account the savings accruing from our recommendations. (*Vide* para 15 of Chapter I and Chapter XX)

(x) *Accounts X and XI—Political and Frontier Watch and Ward*

In this province and in Baluchistan it is not easy to separate the expenditure on "Political" and on "Frontier Watch and Ward", the functions of the Political Agencies include the policing and administration of the frontier (in the N W F P only the Kurram valley is administered) and co-operation in its defence. The maintenance of friendly relations with the tribes and ordinary administration have a special bearing on the defence of India on the N W frontier as an army problem. Political and defence problems being so intimately interwoven, it is, we consider, better to deal with them together. As a matter of fact, expenditure on both used, until 1926-27, to be shown in one place under the account head "Political" and it was only with effect from 1927-28 that a separate head called "Frontier Watch and Ward" was opened. The expenditure has varied as shown below—

	1924-25	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32
Political	1,14 14	1,19 58	22 65	23 87	24 38	32 31	27 16
Frontier Watch and Ward			94 96	93 84	95 11	1,01 40	95 85
	1,14 14	1,19 58	1,17 61	1,17 71	1,19 49	1,33 71	1,23 01

Political

Political expenditure—This has during the last five years grown from 22.65 (actuals for 1927-28) to 27.16 (1931-32). In fact, the revised estimate for 1930-31 was 32.31 and it is unlikely that with political disturbance prevailing in the province expenditure in the current year will be very much less than in

1930-31. The following table shows the growth of Political expenditure under various heads —

	1924-25	1926-27.	1927-28.	1928-29.	1929 30	1930 31	1931-32
A Political Agents ..	.	7 91	6 77	7 68	7 57	10 93	7 2
B Educational Establishments in the Agencies					.	1 29	1 30
C Medical			1 23	1 35	1 43	1 63	2 03
D Allowances to tribes		7 91	8 47	8 12	8 29	8 28	8 26
E. Political subsidies .	22 11	12	12	42	42	42	42
F Entertainment charges		3 25	3 17	3 43	3 86	5 70	3 75
G. Refugees and State Prisoners		06	09	08	09	07	07
H-I-3 Miscellaneous .		3 31	2 80	2 79	2 72	3 40	3 19
H-4 Forest Conservancy in the Agencies						45	83
H-5 Educational Establishments in tribal areas						14	10
Total	22 11	22 56	22 65	23 87	24 38	32 31	27 16

The expenditure may be explained under each head

A *Political Agents* — There are, at present, five Political Agencies, each in charge of a Political Agent, *viz* (i) Malakand Agency which includes Chitral and Dir and Swat, (ii) Khyber, (iii) Kurram, (iv) North Waziristan and (v) South Waziristan. For Waziristan as a whole there is also a Resident (on a pay of Rs 3,000). The Political Agents get pay on the Political Department scale. These agencies control the major portion of the tribal area, the remainder being under the political control of the Deputy Commissioners of the adjoining settled districts. We have already remarked that the only part of the tribal territory where there is any substantial attempt at administration is in the Kurram and Tochi Valleys. Apart from this semi-administered area which acts as a wedge between Waziristan and the tribal area inhabited by Mahsuds, Mohmands, Afridis and other tribes, there has been no attempt to occupy and administer any portion of tribal territory except Wana in South Waziristan and the Sherani country. Till the third Afghan War the accepted policy was to pay the tribesmen to protect their own country and also not to molest the Indian border. The experience of that war, however, led to the evolution in Waziristan of the policy of "peaceful penetration" of the tribal territory, the object in view being to "civilise" the tribes by providing avenues of useful employment and in other ways improving their economic condition. We are not satisfied that this policy has yet been carried out to an adequate extent, but we have no doubt that it holds a greater promise of abiding results than the policy of forcible occupation of the tribal area.

The following table shows the expenditure during the last five years on the various sub-heads under Political Agents.—

	1926 27	1927-28	1928-29	1929-30	1930 31	1931-32
Pay of officers .	2 21	2 03	2 26	2 20	2 44	2 17
Pay of Establishment	2 16	2 03	2 23	2 14	1 92	2 01
Allowances, etc	99	1 02	1 13	1 14	1 10	94
Supplies and Services	48	42	42	52	2 42	48
Secret Expenses	21	20	23	24	31	22
Contingencies	1 58	1 04	1 39	1 30	1 66	1 28
Grants in-aid	07	02	02	02	1 08	02
Works	21	02		.		09
Total	7 91	6 78	7 68	7 56	10 93	7 21

We are not sure that in view of the disturbed conditions that have prevailed since April 1930 the actuals of 1931-32 will not materially exceed the earlier expectations. We may draw attention to certain sub-heads, the 1930-31 estimates for which showed appreciable rise compared with expenditure in the preceding years, *viz*, supplies and services, secret expenses, contingencies, grants-in-aid and works. These are the type of sub-heads under which in disturbed times expenditure is likely to go up much more than in the case of others.

B *Educational Establishments in the Agencies (1 30)*, H-4—*Forest conservancy in the Agencies (83)*, H-5—*Educational establishments in the tribal areas (10)*—These call for little comment. The provision of facilities for education and expenditure on the conservation of forests are, and should be, treated as essential parts of the accepted policy of peaceful penetration.

C *Medical Establishments*—The following table shows the growth of expenditure since 1927-28 —

	1927-28	1928-29.	1929-30	1930 31	1931-32
Pay of officers	33	43	45	42	44
Pay of Establishments	36	35	37	42	43
Allowances, etc .	08	08	09	12	09
Grants-in-aid	.	.		01	01
Supplies and Services	26	24	30	35	35
Works	.	.	.	11	52
Contingencies	20	25	22	20	19
Total	1 23	1 35	1 43	1 63	2 03

We may remark that the provision for 1931-32 includes a non-recurring item of 52 for the construction of a Civil Hospital at Miran Shah. Even if this item be excluded from consideration, medical expenditure has been growing without interruption, which was only to be expected.

D *Allowances to tribes (8 26)*—The provision for 1931-32 is 8.26 lakhs and the expenditure has been more or less steady. The allowances are payable

under definite agreements entered into with the tribes. They represent either compensations for the surrender of rights or claims to collect tolls or payments for the protection of certain roads, canals, railways, etc., or payments for the acquisition of the right to build roads, posts, etc., in the tribal territory and are in all cases conditional on good behaviour.

E *Political Subsidies* (42) —A subsidy of 42 is paid to His Highness the Mehtar of Chitral. The initial amount fixed in 1895 was Rs 12,000 per annum and continued until 1928-29, when it was raised to Rs 42,000.

F *Entertainment Charges* (3·75) —This expenditure is of a fluctuating nature and depends upon the number and rank of the men from the tribal area who come to attend various jurgas.

G *Refugees and State Prisoners* (07) —This is self-explanatory.

H *1 to 3 Miscellaneous* —The 1931-32 provision under these three items under H Miscellaneous is 3 19 lakhs as below —

	1931-32.
Pay of Officers	06
Pay of Establishment	29
Other Charges	
Secret service money	47
Protection from raids	31
Cost of Arms and Ammunition	10
Office expenses and Miscellaneous	1 36
Miscellaneous Political Expenditure	·16
Postage and Telegram charges	36
Travelling Allowances	·08
Total	3 19

Departmental offer —Originally the Department could offer only 20 under this head. In the course of the oral evidence of its representatives, however, the amount offered was raised to 1·24. We have been supplied with no further details and are unable to ascertain what portion out of this amount represents a permanent reduction of expenditure.

Our Proposals —We observe that besides a Political Agent for Northern Waziristan and one for Southern Waziristan, there is also a Resident for Waziristan as a whole. *Prima facie*, we consider that this is a superfluous post. We appreciate the benefit of co-ordinated policy for Waziristan as a whole but we do not consider that the retention of a Resident for the supervision of the work of only two political agencies is a *sine qua non* in the interests of such co-ordination. The conditions on the frontier are such that co-ordination of policy is desirable not only for Waziristan but also for the tribal area as a whole, and such co-ordination ought to be ensured by the fact that the Chief Commissioner is also Agent to the Governor-General for the entire tribal area.

Again, so far as we can ascertain, the 1931-32 Estimates make a provision for six Political Agents and as many as seven posts of Assistant Political Agents, viz., two for North Waziristan, two for South Waziristan, one for

Dir and Swat, one for the Kurrum Valley Agency, and one for Khyber Agency. In fact we observe (*vide* the Quarterly List) that on 1st October 1931 there were only the following Political Agents and Assistant Political Agents actually on duty —

- (1) Political Agent, Dir and Swat and Chitral.
- (2) Assistant Political Agent at Chitral
- (3) Political Agent, Khyber.
- (4) Political Agent, Kurrum
- (5) Political Agent, North Waziristan
- (6) Assistant Political Agent, North Waziristan.
- (7) Political Agent, South Waziristan
- (8) Assistant Political Agent, South Waziristan

That list showed one more post, *viz*, that of an additional Assistant Political Agent for South Waziristan, but the post was shown as lying vacant. We recommend that the question of reducing the number of Assistants' posts should be taken up by Government, and that if the budget provision is in excess of the sanctioned number or the number likely to be required, efforts would be made to ensure that the excess provision is not needlessly spent.

As regards the number of Political Agencies, we may remark that the Inchcape Committee did "not consider that, when conditions in Waziristan have settled down, it should be necessary to maintain a Resident in Waziristan as well as a separate Political Agent at Wana." It recommended "that the question of the abolition of one of these appointments should then be taken up and a reduction of at least Rs 50,000 effected." We also hold the same view, except that we think that it is the Resident's post that should be abolished rather than that of the Political Agent at Wana.

We are unable to calculate precisely the savings that would result from the scrutiny recommended by us. Assuming, however, that the Waziristan Residency and one of the political agencies and two or three Assistant Political Agents' posts are abolished, the savings might well be about a lakh of rupees per annum. In addition to this we recommend that the grants under the head "Political" should be reduced by 1.75 lakhs as below —

Entertainment charges	1 00
H -3—Miscellaneous—Other Charges	50
Other heads	25
Total	<hr/> 1 75 <hr/>

We thus recommend that the grant should be reduced by 2.75 lakhs in all

(x1) *Account XI—Frontier Watch and Ward.*

Introductory—In spite of her land frontier of over 6,000 miles, India enjoys, at any rate along a major part of frontier, a certain degree of natural protection. The problems of defence along the northern and the eastern frontiers, though not non-existent, are comparatively speaking unimportant. It is mainly on the north-west frontier that her problems are, as they have throughout history been

of a serious nature. It is this frontier which has seen the march of invading peoples into India and sometimes of Indian armies into Afghanistan and Russian and Chinese Turkestan. We shall deal with the questions relating to the Watch and Ward of the northern and the north-eastern frontier under the head Frontier Watch and Ward. Here we propose to confine ourselves to the Watch and Ward of the north-western frontier, *i.e.*, to the tract of country from the Hindu Kush mountains down to the Arabian sea. This frontier concerns two provinces which are at present both "minor administrations," *viz.*, the North-West Frontier Province and Baluchistan. We have already described the nature of the administrative border and the Political frontier known as the Durand Line. The western fringe of the five settled districts of the North-West Frontier Province, *i.e.*, the administrative border, is dotted by cantonments or defence posts held by the regular army, militia, Frontier Constabulary or Khassadars. This chain of cantonments and posts is flanked by the large military cantonments of Peshawar and Quetta. It should, however, be borne in mind that the cantonments and defence posts are not confined to the eastern side of the administrative border, in a number of places, *e.g.*, in Malakand, Khyber, Kurrum and Tochi, at Razmak and along the Zhob road which runs south of Waziristan, they push forward into trans-border or tribal territory. In spite of the geographical separation caused by the wedge of semi-administered Kurrum valley, the trans-border tribes are in some sort of communication with each other from north to south, and in fact racial, religious and linguistic affinities link them up with the tribes living beyond the Durand Line. The problem of defence along this frontier is thus not merely of local importance, but affects the whole of India.

We have already described the three separate portions of the tribal area, *viz.*, Waziristan (southern and northern), Tirah (the country of the Afridis and Orakzais which lies between the Kurrum valley and the Kabul river) and the country to the north of Kabul river. The conditions in these three areas are not exactly similar. In the northern block, *i.e.*, the one lying to the north of the Kabul river Government's relations with the tribes have since 1897 been satisfactory. Broadly speaking, this part of the tribal area is effectively controlled by the Chiefs, mainly the Mehtar of Chitral, the Nawab of Dir and the Wali of Swat. Further, it is in active trade relations with India and the Swat river canals have helped to provide agricultural and other employment for the local population. Similarly relations with the Afridis and Orakzais have been generally satisfactory until the Afridi incursions of 1930, and there is no attempt at penetration, peaceful or otherwise. It is, however, stated that Waziristan is and has always been more difficult, and its people more intractable, than those of any other of the major divisions of the trans-border tribes. It is held that as one goes from the north to the south in the tribal area, the constitution of tribal society becomes looser and looser. Thus the problem of frontier defence in the narrower sense is more or less confined to Waziristan.

At the same time it will be seen from the figures that have been given (at page 48) that the number of raids and the resultant casualties and the value of property looted have shown progressive and marked decline with the

last ten years In 1926-27 persons killed were two, wounded six, kidnapped five and value of property looted Rs 7,095 and in 1927-28 persons killed were four, none wounded, kidnapped 11 and the value of property looted Rs 15,000

Further, the fact cannot be denied that several hundreds of crores have been spent on building strategic railways and roads right into the tribal territories The occupation and development of portions of tribal territories, the policy of subsidies and 'peaceful penetration' together with the modern equipment of the army, especially the air force, should make the problems of coping with tribal raids far easier and less expensive than before We have indeed already noticed considerable decline in such raids owing to the latter factors

The problem of frontier defence divides itself into two distinct types, *viz*, (1) that of holding, in the military sense, the gates that lead from Afghanistan into India, namely the Khyber, Kurrum, Tochi, Gummal and Bolan Passes and (2) the day to day business of watch and ward over the frontier and the administrative border The maintenance of friendly relations with the transborder tribes is one of the important ordinary functions of the administration of the North-West Frontier Province and, to a smaller extent of, Baluchistan as well While the political officers try, as best as they can, to guide the tribes along the paths of peace and amity, the army and the various armed civil forces remain ready to meet serious incursions as well as ordinary raids

Armed "civil" Forces—We may now give a brief description of the various armed "civil" forces that are maintained for this purpose

These fall broadly, into two classes (1) those maintained to keep law and order on the eastern side of the border and (2) those which are intended for service in the tribal area across the border

As in the rest of India, ordinary district police is maintained in the five settled districts In view of the comparatively unsettled conditions in this province this police is better armed and equipped than civil police forces in the ordinary districts in India, but in other respects its work is similar to that of the latter Apart from this police a body of armed police called the Frontier Constabulary is maintained for the prevention of raids and the capture of outlaws and raiders, and for the safety of roads and communications by regular patrolling Although the posts held by the Frontier Constabulary lie almost entirely to the east of the border, many of its operations are carried out in the tribal area

A third class of civil defence forces maintained in the settled districts is the *Chighas* or village pursuit parties By custom which has also been crystallised into law these parties are bound to come out for defence as well as pursuit, whenever a raid occurs Villages liable to be raided are provided by Government with a certain number of rifles for self-defence, but apart from this the administration of the province does not attempt to directly supervise the work of the *Chighas*, the members are not in the pay or service of the Crown *Chighas* are intended for operations of comparatively short duration For co-operation with the *Chighas* in the case of prolonged operations, levies drawn from the populations of villages lying in the settled districts but manned by selected members of the village communities are

organised. These levies are pledged to full or part-time service and receive arms and ammunition and pay from Government either directly or through their local leaders

For service in the tribal area, three civil corps are maintained, *viz*, the Kurram Militia, the Tochi Scouts and the South Waziristan Scouts. The first of these is a force mainly raised locally for the preservation of law and order in the semi-administered Kurram valley, while the other two corps are intended to maintain political control in north and south Waziristan respectively and to prevent raiding from or through Waziristan into the regular districts

Unlike the tribal levies or the Kurram Militia, the Tochi and South Waziristan Scouts contain only a very small proportion of local tribesmen. All the three corps are officered by military officers seconded from the regiments of the regular army, in this respect they differ from the Frontier Constabulary whose officers are members of the Indian Police seconded from their own service

In addition to the three civil Corps mentioned above, four other bodies are also maintained, *viz*, the Chitral Scouts, the Zhob Militia, the Chagai Levy Corps and the Mekran Levy Corps. Their names denote the country in which they are intended to operate, the last two are confined to Baluchistan. Their organisation and functions are similar to those of the Corps meant for service in Kurram and in Waziristan

Lastly, mention should be made of *Khassadars*. Like the tribal levies organised in the settled districts in the case of prolonged operations, *Khassadars* also are tribal levies intended for service in the agency tracts. They function as the tribal police and are charged with the duty of guarding communications through their tribal territory. They have to provide themselves with arms, ammunition and equipment and are therefore more highly paid than the members of the civil defence forces so far mentioned, *viz*, the Police, the Constabulary, the tribal Levies raised in the settled districts and the trans-frontier Civil Corps. Incidentally, the higher pay serves to attract better men to serve as *Khassadars* and to secure their own good behaviour and that of their fellow tribesmen. *Khassadars* have been employed only in the Khyber Agency, in the Kohat Pass and in Waziristan

The following table shows the present strength of the special civil defence forces in the North-West Frontier Province —

Kurram Militia	.	.	1,301
Tochi Scouts	..	.	2,290
South Waziristan	..	.	2,761
Zhob Militia	.	..	1,419
Chitral Scouts	..	..	991
Frontier Constabulary	..	..	4,664

We do not know the precise present strength of *Khassadars*, but so far as we can ascertain, there are 4,000 in Waziristan, 1,500 in Khyber Agency and 400 in the Mohmand country.

Raids —The following table gives some information about the number of raids, casualties and the value of the property looted for certain years:

Year	No of raids	Persons killed	Persons wounded	Persons kidnapped.	Value of property looted.
1906-07	41	Information not readily available.			
1907-08	56				
1908-09	99				
1909-10	159				
1910-11	113				
1911-12	71				
1912-13	77				
1913-14	93				
1914-15	165				
1915-16	345				
1916-17	292				
1917-18	223				
1918-19	189				
1919-20	611	298	392	463	26,30,209
1920-21	391	153	167	310	2,86,284
1921-22	194	80	72	148	1,45,670
1922-23	131	52	52	61	82,795
1923-24	69	33	35	18	59,690
1924-25	39	9	9	25	7,872
1925-26	30	14	16	5	16,372
1926-27	19	2	6	5	7,095
1927-28	18	4		11	15,035
1928-29	12	Information not readily available			

(These figures have been obtained from the annual administration reports)

Expenditure —The expenditure on Frontier Watch and Ward has varied as below but we may here repeat that it was only with effect from 1927-28 that Frontier Watch and Ward appears as a separate head of account

	1924-25	1925-26	1926-27.	1927-28	1928-29	1929-30	1930-31	1931-32
Frontier Constabulary	22 37	23 74	22 96	21 98	22 01	22 47	22 93	22 50
South Waziristan Scouts	19 23	21 25	20 56	18 92	18 43	19 40	19 69	18 73
Chitral Scouts	2 36	78	89	64	81	67	80	78
Charges for Levies	27 90	29 02	22 12	29 04	28 81	28 31	31 13	28 70
Kurram Militia	6 57	8 14	7 28	7 48	7 00	7 21	8 71	7 55
Tochi Scouts	13 21	14 94	14 39	14 34	14 33	14 47	14 88	14 74
Frontier Constabulary Reserve						04	12	21
Intelligence Bureau	43	46	43	45	47	47	71	58
Inspecting Officer, Frontier Corps	39	41	1 83	57	44	50	82	49
Medical Establishment	*	*	*	1 54	1 53	1 57	1 61	1 57
	92 46†	98 74	90 46	94 96	93 83	95 11	101 40	95 85

*Shown under " Medical "

†In all it was 92 69 lakhs

The growth of expenditure on Frontier Watch and Ward (excluding Works) from 92 69 in 1924-25 to 101 40 (Revised) in 1930-31 and 95 85 (Budget) in 1931-32 was brought about, *inter alia*, by the following reasons —

- (1) Revision of the pay of officers with effect from 1st July 1924 and revision of the pay of the clerical establishments
- (2) Grant of bonus to members of the Waziristan Corps after six years' service
- (3) Entertainment of two temporary platoons in 1930-31
- (4) Payment of ' Good Conduct and Good Service Pay ' owing partly to the revision of rates from 1st April 1929 and partly to the admissibility of this pay to a larger number of men during 1931-32 than in 1924-25
- (5) Contribution towards the cost of training men at army schools of instruction The cost of such training used to be borne by the Army estimates, for some reasons not known to us it is now borne by the Civil
- (6) Appointment with effect from 1929-30 of an additional British Officer for the Kurram Militia
- (7) Increase of staff compared with 1924-25
- (8) Payment of fuel allowances sanctioned in 1927-28 to Waziristan Scouts
- (9) Appointment of additional Khassadars for the protection of the Khyber Railway and of temporary Levies in the Kohat District
- (10) Cost of retaining fees and other charges connected with the entertainment of Frontier Constabulary Reservists (This scheme was sanctioned in 1929 and the budget estimates for 1931-32 include a provision of Rs 21,000 on this account)
- (11) Appointment of an Intelligence Staff Officer in 1930 and of two additional Sub-Inspectors and three Head Constables in connection with Passport work
- (12) Opening of two new hospitals at Dosali and Tank
- (13) Accrual of the usual increments

Department offer —The Department has offered a reduction of 3 04 lakhs, but has not furnished any details

Our proposals —An analysis of the reasons that have led to increased expenditure shows that a good deal of it took place in a period when political conditions were, comparatively speaking, still normal If, as has been claimed, the policy of peaceful penetration is proving successful, we cannot see why it should have been found necessary to increase either the establishments or the expenditure The spread of civilisation and greater security in the tribal area should automatically involve reduction of establishments and to some extent of expenditure We do not possess the information necessary to enable

us to scrutinise the expenditure in detail and are therefore reduced to proposing a block cut. In view of the falling revenues and the necessity felt by Government to levy increased taxation and also in view of the economic distress prevailing all over the country we consider that an expenditure of about a crore and a half on the "Watch and Ward" (including buildings and communications) of a section, although an important one, of India's frontier is not justified. In essence, this expenditure is additional expenditure on the military defence of the country. In our opinion the Frontier Constabulary, the trans-border Corps and the *Khassadars* perform functions which are almost entirely military in character and the expenditure should be borne by the Army estimates within the limits of the Army budget. We have been given to understand that the question of showing this expenditure under the Army estimates is under consideration. While we have no objection to such transfer, we attach greater importance to a reduction of the total expenditure on defence. We recommend that the department should keep in view a standard of expenditure not exceeding 80 lakhs and that progressive steps should be taken to achieve this result, we think this should be possible within the next three years. For the purposes of the 1932-33 budget we shall assume a reduction of expenditure by 5 lakhs.

We here emphasise our suggestion that steps should be taken to devote as much money as possible from the heads "Political" and "Frontier Watch and Ward" to activities more likely to yield permanent beneficial results, e.g., Agriculture, Irrigation, Cottage Industries, Education, Veterinary, Co-operations, Communications, etc.

(xvi) *Account XII—Education*

Expenditure on Education has grown as below —

1913-14	1921-22	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32
4 88	11 85	11 75	12 19	13 24	17 73	18 59	19 77	20 68	22 11

For Direction and Inspection the following staff is maintained —

Direction — A Director of Public Instruction, his Personal Assistant, a Registrar for departmental examinations who also works as Secretary to the Text Book Committee and a clerical establishment of 30.

Inspection — Two Inspectors and an Inspectress of Schools, five District Inspectors of Schools, four District and Assistant Inspectors of Schools of non-gazetted status and a clerical and inferior establishment of about 38.

The following table shows the expenditure on (a) University and College Education, (b) Secondary Education and (c) Primary Education, as also on special education and general expenditure for various years —

	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32
University .	1 22	1 46	1 64	1 89	2 62	2 66	2 15	1 62
Secondary .	3 73	3 56	3 59	4 54	4 44	4 76	5 05	7 72
Primary	5 42	5 73	6 47	9 31	9 39	10 06	10 93	9 29
Special		03	07	23	27	25	27	1 09
General	1 38	1 41	1 47	1 77	1 87	2 03	2 28	2 39
	11 75	12 19	13 24	17 74	18 59	19 76	20 68	22 11

We may further remark that the five-year programme is in operation in this province also

The province has no University of its own. So far as is known to us, Government do not maintain any College whether for arts or for professional or technical studies. There are, however, three Colleges, all in receipt of grants-in-aid, *viz*, Islamia College at Peshawar, Edwards College (a missionary Institution) at Peshawar and the Vedic Bharati College at Dera Ismail Khan. We believe there is also a College maintained close to the border for the education of youngmen from the tribal area, but our information has not been duly verified.

The administration also maintains a High School, a Training College and a special school.

As regards Primary education the prevailing system is to give grants-in-aid to local bodies.

Departmental proposals —Originally the Chief Commissioner proposed to effect a reduction of 2 22 lakhs under this head. We do not know what portion of this sum was intended to be permanent. Subsequently a permanent reduction of 2 37 lakhs in the expenditure on 'Education' has been offered by the department.

Our proposals —In conformity with the views expressed by us in Part I of our Interim report and consistently with the line that we have always taken, we are not prepared to recommend any reduction under this head. The emphatic pledge so recently given by the Chief Commissioner in this connection should be faithfully observed.

Account XIII—Medical

Expenditure under 'Medical' has varied as below. In addition to this expenditure there is a certain amount of medical expenditure incurred under the head "Political", the figures for which are given in a table in sub-paragraph (x) on page 41.

	1924- 25	1925- 26	1926- 27	1927- 28	1928- 29	1929- 30	1930 31	1931- 32
Medical Establishment	1 74	1 54	1 73	1 56	1 63	1 75	2 24	2 14
Grants-in-aid to Hospitals and Dispensaries	1 68	2 53	2 92	2 15	1 99	3 81	4 30	5 58
<i>Medical Schools and Colleges</i> —Payment to the Punjab Government	72	39	44	50	58	60	60	54
Grand Total	4 14	4 46	5 09	4 21	4 20	6 16	7 14	8 26

A part of the growth of expenditure is merely apparent, recoveries from local bodies, which would have been brought to account in 1924-25 as deductions from expenditure, are now credited as revenue. Among the other reasons for the growth of expenditure since 1924-25 are —

- (1) The creation of a post of Surgeon-Major to act as Civil Surgeon of Bannu, where a large new hospital has been built.
- (2) An Assistant Surgeon for the X-Ray Institute in the Lady Reading Hospital, Peshawar.
- (3) 21 posts of Sub-Assistant Surgeons and compounders in connection with the expansion of medical facilities in the province.

(4) Appointment of 35 clerks and servants to the staff of the Lady Reading Hospital at Peshawar

(5) Larger grants-in-aid (aggregating 1 27 lakhs in the 1931-32 budget) for improved medical facilities in the province

The following specific cases illustrate the purposes for which the new grants-in-aid have been made —

	Rs
(a) Improvement to the female section of the Lady Reading Provincial Hospital, Peshawar	31,000
(b) Establishment of six new rural dispensaries	78,700
(c) Posting of female Sub-Assistant Surgeons at three selected tahsil headquarters hospitals and the construction of quarters for them	16,700
(d) Grant towards the construction of a civil hospital at Dera Ismail Khan	600

Departmental proposals and our recommendations — The Department has offered a reduction of Rs 25,000. Our view is that expenditure on such activities as Education, Medical and Public Health should, as far as possible, remain undiminished. We therefore cannot agree that the offer should be accepted. We may, however, draw attention to two points—

(1) The Chief Medical Officer gets, in addition to his pay as an officer of the I M S, special pays aggregating Rs 650 a month, *viz*, a special pay of Rs 350 as Chief Medical Officer of the Province and a special pay of Rs 300 for holding the Jail and Sanitary charges. We consider that the aggregate special pay is out of proportion to the additional work involved. In effect, this special pay converts the Chief Medical Officer's post into one on Rs 2,500 per mensem a pay which does not compare very unfavourably with the emoluments of Inspectors General of Hospital in the major provinces. In the somewhat analogous case of Delhi, where too one of the Civil Surgeons functions also as Chief Medical Officer and presumably gets a special pay of Rs 250 per mensem we have recommended the abolition of the special pay. We recognise that there is a difference between the responsibility of a Chief Medical Officer for a small province like Delhi and the Chief Medical Officer of a province of the size of the North-West Frontier Province. In this case therefore we do not propose to go as far as we did in the case of Delhi. We recommend that the aggregate special pay should be reduced from Rs 650 to Rs 300. Our proposal will yield a saving of 04 lakh.

(2) We observe that the extra staff required on account of the opening of the New Central Jail at Haripur in the office of the Chief Medical Officer in his capacity as Inspector-General of Prisons has been provided under head "Medical". We consider that this fails to give a proper view of expenditure both under "Medical" and under "Jails". We have come across several cases where in the case of combined offices expenditure has been divided into its various component parts and each part has debited to the service concerned. We can see no reason why the Account head "Jails and Convict Settlements" should not bear an appropriate share of the cost of all staff (including the Chief Medical Officer *cum* Inspector-General of Prisons) maintained in connection with jails, whether whole-time or part-time.

Account IV—Public Health

The expenditure has varied as below —

	1924- 25	1925- 26	1926- 27	1927- 28	1928- 29	1929- 30	1930- 31	1931- 32
Public Health Establishment	31	31	36	38	38	40	50	60
Grants in-aid	1 19	30	45	27	18	39	43	45
Expenses in connection with epidemic diseases	22	22	24	20	46	26	23	24
	1 72	83	1 05	85	1 02	1 05	1 16	1 29

The staff consists of an Assistant Director of Public Health on the I M S scale of pay with a special pay of Rs 250 and a Pushto allowance of Rs 100. The cost of Health Officer, Peshawar Municipality, has now been "provincialised". There is also an Assistant Surgeon incharge of the provincial Laboratory. The establishment numbering 18 consists of Inspectors, Vaccinators, clerks, Laboratory Assistants and servants. There is also a special establishment for the medical inspection of school children.

The main reasons for the growth of expenditure have been —

- (1) The grant of a Pushto allowance of Rs 100 per mensem to the Assistant Director of Public Health with effect from 1927-28
- (2) "Provincialisation" of the post of Health Officer, Peshawar Municipality, with effect from 1930-31
- (3) Addition to the establishment and revision of pay sanctioned in 1925-26
- (4) Increased expenditure on account of the scheme for the medical inspection of school children since 1929-30

Departmental proposals — In the course of its oral evidence, the Department offered a reduction of 17

Our proposals — We observe that the Assistant Director of Public Health is an I M S officer of the rank of a Major. The North-West Frontier Province is a healthy area and it does not present complex public health problems. The physique of the population is among the finest in India. We cannot persuade ourselves to accept the reason for a special pay of Rs 250 to the Assistant Director in addition to a special pay to the Chief Medical Officer. In fact, we cannot see why an officer of this rank should not be designated as Director of Public Health and given some small special pay in addition to the scale in force for the I M S. Our proposal will yield a saving of at least 02 lakhs.

In addition to this we recommend that the departmental offer should be accepted. On our proposals, there should be a reduction of expenditure to the extent of at least 19.

Account XV—Agriculture, Veterinary, Co-operative Credit, Museum and Miscellaneous Departments

The expenditure on these has been as below —

	1924- 25	1925- 26	1926- 27	1927- 28	1928- 29	1929- 30	1930- 31	1931- 32.
Agriculture	78	1 06	1 02	93	67	74	85	99
Veterinary	50	56	43	57	69	81	87	1 07
Co-operative Credit		03	05	07	16	38	63	78
Museum	04	06	06	05	05	05	05	05
Provincial Statistics	06	03	03	02	02	02	03	03
Famine Relief							25	
Industries					07			
	1-38	1-74	1 59	1 64	1 66	2 00	2 68	2 92

Of the apparent growth of expenditure, a part is due to the assumption by the N W F P of responsibility for its own Veterinary work, the province had previously relied upon the Punjab Government for such work. A larger part of the growth is due to the initiation of the Co-operative Credit Movement.

Our proposals—In the course of its oral evidence, the Department has offered a reduction of 13 lakh. The activities financed from the provision under this head of account are of a nation-building character. We do not, therefore, propose to press the department for any further reduction of expenditure than it has offered. For a province consisting of five settled districts with a population of about 2½ million we consider a provision of a little over ¼ of a lakh for Co-operative Credit is none too large. We therefore propose that a saving of 13 should be effected but it should all come out of the provisions for heads other than Co-operative Credit.

Account XVI—Miscellaneous

The expenditure under head Miscellaneous has varied as below —

1924 25	1925 26	1926 27	1927-28	1928 29	1929 30	1930-31	1931 32-
68	1 21	75	59	71	80	79	79

The only important items of expenditure are—

(a) Grants-in-aid to local bodies for general purposes	55
(b) Guarantees for Posts and Telegraphs Office	10

In fact, it is these items which account for most of the increase of expenditure.

Departmental offer and our proposals—The department has offered a reduction of 04 and we recommend that this offer be accepted.

Special pays, language and other allowances, etc

From a perusal of the Department's Quarterly List we observe that in this province special pays and allowances are admissible on a scale which we consider excessive. These form a substantial addition to the pay proper of the officers. Language allowances are granted for some degree of proficiency in the Pushto language. The representatives of the Department told us in the course of their oral evidence that the justification for the language allowance is that an officer who has to serve in this province has to pick up Pushto, which does not serve him any useful purpose outside the province. This argument does not convince us. Broadly speaking, we deprecate the grant of monthly allowances for acquiring workable proficiency in the language of the province in which an officer has to serve. If, however, in the special circumstances of this province, it is still considered necessary to give language allowances, lump sum rewards on the lines of the language rewards, which used to be in force some years ago, should be reintroduced. But we consider the system of monthly allowances unsound in principle, inasmuch as it tends to discriminate unfairly between those who are stationed for a short period as compared with those who are kept on for longer periods. In our opinion the entire system of these language allowances should be re-examined. Pending the results of such an examination, we recommend that a cut of 50 per cent in the amounts at present payable should be made at once. Similarly in the interests of economy all special pays and allowances, other than fixed travelling allowances and allowances paid from other funds, *e g*, from railways, estates, etc, should

be reduced by one-half In the absence of accurate details, we have not been able to work out precise figures of the total resultant saving, but we estimate that our proposal should yield over one lakh of rupees on officers' special pays, etc

Summary of savings—On our proposals, we expect that there will be a saving of 20 24 lakhs in the grant for the North-West Frontier Province as follows —

	Reduction proposed.
Account I —Land Revenue	30
Account II —Forest	2 00
Account III —Other direct demands on revenue	22
Account V —General Administration	1 02
Account VI —Administration of Justice	68
Account VII —Jails	2 00
Account VIII.—Police	4 85
Account IX —Ecclesiastical	<i>Nil</i>
Account X —Political	2 75
Account XI —Frontier Watch and Ward	5 00
Account XII —Education	<i>Nil</i>
Account XIII —Medical	04
Account XIV—Public Health	19
Account XV —Agriculture, etc	13
Account XVI —Miscellaneous	04
Special pays and allowances	1 02
Total	<hr/> 20 24 <hr/>

Some further saving on the special pays, allowances, etc, of establishments will also accrue, but we are unable to estimate the amount

NOTE —Attention is drawn to the Note at the top of page 24.

APPENDIX IV

POPULATION AND ITS DISTRIBUTION BY RELIGION IN NORTH-WEST FRONTIER PROVINCE

(a) *Population*

District	Total Population	Males	Females	Urban	Rural	Density
NOTE.—The figures below are 1931 figures						
1. Hazara	670,117	358,193	311,924	41,985	628,132	223
2 Peshawar	974,321	538,146	436,175	216,423	757,898	369
3 Kohat	236,273	126,210	110,063	34,350	201,923	88
4 Bannu	270,301	145,163	125,138	38,242	232,059	159
5 Dera Ismail Khan	274,064	148,106	125,958	55,177	218,887	79

Total N W F P (Districts)	2,425,076	1,315,818	1,109,258	386,177	2,038,899	179
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Agencies and Tribal Areas

Total	2,259,288	1,212,347	1,046,941		2,259,288	
Enumerated	46,451	44,635	1,816		46,451	
Estimated	2,212,837	1,167,712	1,045,125		2,212,837	.

*Agencies*1. Malakand (Dir, Swat
and Chitral)—

Total	902,075	465,470	436,605		902,075	
Enumerated	3,390	2,928	462		3,390	
Estimated	998,685	462,542	436,143		898,685	..

2 Khyber—

Total	263,566	147,908	115,658		263,566	..
Enumerated	16,516	16,452	64		16,516	..
Estimated	247,050	131,456	115,594		247,050	

3 Kurram—

Total	63,352	35,395	27,957		63,352	
Enumerated	4,832	3,682	1,150		4,832	
Estimated	58,520	31,713	26,807		58,520	

4. North Waziristan—

Total	93,570	56,328	37,245		93,570	.
Enumerated	13,282	13,154	128		13,282	.
Estimated	80,288	43,171	37,117		80,288	.

5 South Waziristan—

Total	108,213	61,264	46,949	..	108,213	..
Enumerated	6,713	6,711	2	.	6,713	.
Estimated	.. 101,500	54,553	46,947	.	101,500	.

Total	352,400	190,086	162,364	352,400	..
Enumerated .. .. .	..	..	..	..	..
Estimated	352,400	190,086	162,364	352,400	..
Peshawar—					
Total	305,410	162,510	142,990	305,410	..
Enumerated .. .. .	..	..	..	..	..
Estimated	305,410	162,510	142,990	305,410	..
3. Kohat—					
Total	128,900	70,200	58,700	128,900	..
Enumerated .. .. .	..	..	..	..	..
Estimated	128,900	70,200	58,700	128,900	..
4. Bannu—					
Total	22,160	11,916	10,244	22,160	..
Enumerated .. .. .	..	..	..	..	..
Estimated	22,160	11,916	10,244	22,160	..
5. Dera Ismail Khan—					
Total	19,642	11,323	8,319	19,642	..
Enumerated	1,718	1,708	10	1,718	..
Estimated	17,924	9,615	8,309	17,924	..

(b) *Distribution by religion.*

District	Muslim.	Hindu.	Sikh.	Christian
Hazara	636,794	25,260	7,630	432
Peshawar	898,683	42,321	24,271	9,046
Kohat	218,445	13,393	3,249	1,186
Bannu	237,674	26,181	5,482	964
Dera Ismail Khan	235,707	35,822	1,878	657
Total N. W. F. P. (Districts).	2,227,303	142,977	42,510	12,286

CHAPTER IV.

GRANT No 79—BALUCHISTAN

(1) *Introductory*—Like the North-West Frontier Province Baluchistan (in which is situated the Bolan Pass) is also a frontier province, but it presents problems of administration, which are in most respects widely dissimilar. While in the North-West Frontier Province, there are five administered districts in which a reformed constitution is just about to be established and an unadministered tribal belt, which intervenes between the administrative border and the Durand Line, there is in Baluchistan no tribal belt but administration extends everywhere up to the Durand Line. A second important point of difference lies in the existence in Baluchistan of the State of Kalat, which with its tributary State of Las Bela accounts for more than half the area and population of the Province. The State of Kalat, though autonomous, has always consented to follow advice tendered by the Baluchistan Administration and the supervision of Kalat administration forms an important part of the Agent to the Governor General's duties. There is no similar unit in the North-West Frontier Province, nor is there in that Province any exact counterpart to the Marri and the Bugti areas, which are administered by their own tribal chiefs under the supervision of the Agency authorities. In Baluchistan these tracts are referred to as tribal territory, as indeed it is, but the tribal territory of Baluchistan bears no resemblance whatever to the tribal territory of the North-West Frontier Province.

The province is administered by an Agent to the Governor General who is a Resident of the first class, assisted by the following staff —

- (i) A Revenue Commissioner on Rs 3,000
- (ii) Six Political Agents with special pays of Rs 300 in two cases, Rs 200 in two cases, Rs 150 in one case and Rs 100 in one case
- (iii) A Secretary and an Under-Secretary
- (iv) Five Assistant Political Agents
- (v) A Surgeon with a special pay of Rs 350 and an Assistant Surgeon
- (vi) 25 Extra Assistant Commissioners and Indian Assistants
- (vii) Ministerial, menial and medical establishments numbering 484

Quetta is the headquarters but the Agent to the Governor General and a small portion of his staff go in the summer to Ziarat.

Important jirgahs and the provincial durbar are held at Sibi, but Sibi is never the headquarters of the Agent to the Governor General.

Baluchistan is divided into four main divisions —

(1) British Baluchistan, with an area of 9,096 square miles, consisting of tracts ceded by Afghanistan to the British Indian Government by treaty in 1879, (2) Agency territories with an area of 37,864 square miles, composed of tracts which have, from time to time, been acquired by lease or otherwise

brought under British control and been placed under the direct administrative control of British Indian officers, (3) the Indian States of Kalat and Las Bela with an area of 80,410 square miles, and (4) tribal territory. British Baluchistan and the Agency territories are sometimes known as the "administered" territories. The districts and agency area cut off southern Baluchistan from Afghanistan with which the province had close political relations. On the west, its frontier marches with that of Persia, but this tract is almost a desert and is sparsely populated. Though Baluchistan lies just north of the Arabian Sea, it remains outside the monsoon area and the rainfall is irregular and scanty. The total population is 799,625, out of which 383,624 reside in the administered territories, *i.e.*, in British Baluchistan and in the Agency areas.

(2) *History* —The political connection of the British Indian Government with Baluchistan commenced from the outbreak of the first Afghan War in 1839, when it was traversed by the Indian Army and was afterwards occupied to protect the British lines of communication. By the treaty of 1879, Sibi, Harnai and Thal-Chotiali were handed over by Afghanistan to the British Government, on condition that Afghanistan should receive the surplus revenues after payment of the expenses of administration. After the disaster in Afghanistan when the British Resident and escort were massacred at Kabul, the treaty was abrogated. But in 1882, after the close of the second Afghan War, it was decided to retain the areas ceded by Afghanistan in 1879. These areas comprise British Baluchistan.

Under the agreement entered into in 1883, the Khan of Kalat agreed to lease the district of Quetta to the British Indian Government for an annual rent of Rs 25,000. In accordance with articles 2 and 3 of the Agreement of 1883, the Khan transferred absolutely all his rights to levy dues or tolls on the trade travelling through the Bolan Pass and in return for this concession Government agreed to pay the Khan Rs 30,000 per annum. In 1880 the Khan made over to the British Government with full jurisdiction the lands on which the Kandahar State Railway had been constructed. In 1899 Mir Mahmud Khan transferred Nushki district and its *mabat* in perpetuity to the Government of India in consideration of an annual quit-rent of Rs 9,000. Similarly the *mabat* of Nasrabad including the Manjuri lands was transferred in 1903 for a quit-rent of Rs 1,17,500. Full jurisdiction over the lands required for the Mushkaf-Bolan railway and Nushki railway was ceded by the Khan in 1894 and 1903 respectively. These tracts together with Zhob and Loralai comprise the Agency territories. There are two Indian States, Kalat and Las-Bela, the latter being nominally a feudatory of the former. The tribal territory consists of the country inhabited by the Marri and the Bugtis.

(3) *Expenditure and Revenue* —The following tables exhibit the expenditure (Table A) and revenue (Table B) of the province. Heads of expenditure which would be treated as 'provincial' in a Governor's province have been shown separately from 'central' heads, although such a distinction has little meaning in this area.

TABLE A.

	1913 14	1920 21	1922 23	1924- 25	1925- 26.	1926- 27	1927- 28	1928- 29	1929- 30.	1930- 31	1931- 32
Land Revenue	2 45	3 35	3 16	2 82	2 95	3 01	3 03	3 85	3 92	4 17	3 99
Excise	12	17	18	15	30	25	32	39	42	69	51
Stamps	01	02	02	03	02	02	05	09	03	03	03
Forest	25	29	36	30	31	32	34	37	38	40	40
Registration	01	03	03	03	03	03	03	03	03	03	03
Irrigation	3 84			1 97	2 21	2 26	2 47	2 98	4 41	7 47	6 03
General administration			1 30	1 64	1 94	1 86	1 90	1 74	1 63	1 06	1 57
Administration of Justice	20	30	38	47	50	67	70	78	73	69	73
Jails and convicts settlement	34	80	1 00	70	76	96	1 18	1 26	1 20	2 44	2 17
Police	5 12	10 11	11 12	11 05	11 28	11 33	11 45	11 02	11 72	12 30	12 74
Scientific Department	09	14	11	10	11	11	12	11	10	12	10
Education	1 07	1 84	2 39	2 33	2 78	2 79	3 08	3 35	3 55	3 62	3 83
Medical	1 01	2 35	3 30	3 01	2 97	3 13	3 23	3 26	3 16	3 68	3 46
Public Health	14	22	— 03	14	13	14	19	17	17	38	15
Agriculture, etc	23	68	70	72	81	1 06	1 64	1 07	1 31	1 39	1 30
Miscellaneous Departments	01	65	03	03	08	03	02	14	22	21	22
Census										61	71
Civil Works (including Buildings and Communications under Frontier Watch and Ward)	13 77	14 16	12 94	9 63	10 83	11 22	14 21	18 13	23 76	18 44	14 22
Famine Relief			74		1 03						
Superannuation Allowances and Pensions	23	36	72	91	1 32	96	89	68	76	74	60
Stationery and Printing	02	04	02	02	01	01	01	01	01	01	01
Miscellaneous	14	2 14	3 26	6 02	2 73	2 74	2 59	2 33	2 62	2 67	2 60
Total "Provincial" subjects	29 05	37 65	41 73	42 07	43 10	42 90	47 45	51 76	60 13	61 75	55 40
Customs					13	15	14	12	13	13	14
Taxes on Income			06	11	12	14	17	16	10	19	23
Opium											
Ecclesiastical	22	30	32	34	31	38	28	31	35	34	33
Political	24 15	35 57	40 27	15 75	14 32	14 62	15 09	15 50	15 75	15 78	16 43
Frontier Watch and Ward (excluding Works)				25 04	25 46	26 49	27 25	27 92	28 03	28 60	28 75
Currency	..	..	02	01	01	01	01	02	02	02	02
Territorial and Political Pensions	50	50	36	46	36	36	36	37	38	38	38
Total "Central" Subjects	24 87	36 37	41 03	41 71	40 71	42 15	43 30	44 40	45 75	45 44	46 28
GRAND TOTAL	53 92	74 02	82 76	83 78	83 81	85 05	90 75	96 16	105 88	107 19	101 68

TABLE B.

	1913- 14.	1920- 21.	1922- 23	1924- 25	1925- 26	1926- 27	1927- 28	1928- 29	1929- 30	1930- 31	1931- 32.
Land Revenue	10 40	10 86	9 69	9 17	9 19	9 74	9 90	10 89	10 96	10 67	10 27
Excise	2 80	7 16	7 24	6 43	6 06	5 90	6 23	6 37	6 76	5 97	5 97
Stamps	1 00	1 74	1 88	1 95	1 90	1 66	1 80	1 93	1 77	1 86	1 86
Forest	20	23	15	21	24	28	30	23	29	29	29
Registration	03	08	06	05	05	07	06	07	06	06	06
Irrigation	68	87	97	75	49	36	74	80	56	82	62
Administration of											
Justice	27	65	30	32	35	28	32	32	36	32	32
Jails Settlement	01	02	03	02	03	04	05	05	05	08	15
Police	15	25	22	06	12	08	14	11	10	09	09
Education	18	24	26	34	40	42	43	45	43	44	41
Medical	02	07	08	09	08	06	07	07	05	05	05
Agriculture, etc	02	02	08	13	11	21	18	12	16	14	15
Miscellaneous											
Departments	01						01	— 01	03	02	02
Civil Works	52	57	46	51	43	59	45	48	65	54	56
Receipts-in-aid of											
Superannuation	04	08	10	13	12	14	16	16	19	16	15
Stationery and											
Printing									04	04	04
Miscellaneous	05	05	32	22	31	38	93	51	50	44	38
Total "Provincial "											
Subjects	16 38	22 89	21 84	20 38	19 88	20 21	21 82	22 55	22 96	21 99	21 39
Customs							01	02	04	01	01
Taxes on Income	21	42	85	99	1 99	1 64	1 78	1 82	1 89	1 63	1 61
Salt	01										
Opium	06	11	10	14	03						
Currency		03	02	01	02	01	01	02	02	02	02
Total "Central "											
Subjects	28	56	97	1 14	2 04	1 65	1 80	1 86	1 95	1 66	1 64
GRAND TOTAL	16 66	23 45	22 81	21 52	21 92	21 86	22 62	24 41	24 91	23 65	23 03

Analysis of expenditure and of its growth —Of the total provision of 104 56 lakhs for Baluchistan the "area" grant is Rs 79 34 lakhs. The balance, Rs 25 22 lakhs, is intended to meet expenditure in Baluchistan under non-"area" demands, e.g., Frontier Watch and Ward (buildings and communications), Civil Works, Irrigation, etc

The following table analyses the grant of Rs 79 34 according to the services on which it is spent —

	Lakhs Rs
I —Direct Demands on Land and other revenues	4 96
II —General Administration	1 57
III —Law and Order—	
Administration of Justice	73
Jails	2 17
Police	12 74
*Political	16 43
Frontier Watch and Ward	28 75
IV —Ecclesiastical	
V —"Nation-building" Departments —	
Education	3 83
Medical and Public Health	3 61
Agriculture Scientific Departments, etc.	1 62
VI —Quit-rents and Compensations	1 815
VII —Other Miscellaneous expenditure	785
	79 34

* Political has been shown under this class, because, in effect, it represents expenditure on the maintenance of law and order in tribal territory

The following are the important heads of expenditure (with the amounts shown in lakhs in brackets) provided for under heads other than the "area" demands —

Irrigation (6 03), Interest on ordinary debt (2 36), Frontier Watch and Ward (8 27), Civil Works (5 95), Ordinary and Political Pensions (99) The aggregate provision for all such heads is 25 22

Growth of expenditure—Wherever necessary, we have explained in connection with our own proposals the reasons for the growth of expenditure under the heads concerned

(4) *Financial position and prospects*—The following table shows the expenditure on and the revenues from provincial and central subjects and the deficit in 1924-25 and 1931-32 —

TABLE C

Revenue Heads <i>Net</i>				Expenditure Heads <i>Net</i>			
Head	Accounts, 1924-25	Budget, 1931-32	Increase+ or Decrease—	Head	Accounts, 1924-25	Budget, 1931-32.	Increase+ or Decrease—
Land Revenue	6 35	6 28	— 07	Irrigation	1 22	5 41	+4 19
Excise	6 28	5 46	— 82	General Adminis- tration	1 64	1-57	— 07
Stamps	1 92	1 83	— 09	Administration of Justice	15	51	+ 36
Forest	— 09	— 11	— 02	Jails	68	2 02	+1 34
Registration	02	03	+ 01	Police	10 98	12 65	+1 67
				Scientific Depart- ments	10	10	
				Education	1 99	3 42	+1 43
				Medical	2 92	3 41	+ 49
				Public Health	14	15	+ 01
				Agriculture	59	1 15	+ 56
				Miscellaneous De- partments	03	20	+ 17
				Census		71	+ 71
				Civil Works	9 12	13 66	+4 54
				Superannuation Al- lowances and Pensions	78	45	— 33
				Stationery and Printing	02	— 03	— 05
				Miscellaneous	5 80	2 22	—3 58
Total "Provincial" Subjects	14 48	13 49	— 99		36 16	47 60	+11 44
Excess of Expenditure over Revenue					21 68	34 11	+12 43
Customs		— 13	— 13	Territorial and Political Pensions	46	38	— 08
Taxes on Income	88	1 38	50	Ecclesiastical	34	33	— 01
Opium	14		—14	Political	15 75	16 43	+ 68
Currency				Frontier Watch and Ward	25 04	28 75	+3 71
Total "Central" Subjects	1 02	1 25	+ 23		41 59	45 89	+4 30
Excess of Expenditure over Revenue					40 57	44 64	+4 07
Gross Total Province	for 15 50	14 74	— 76	.	77 75	93 49	+15 74
Excess of Expenditure over Revenue					62 25	78 75	+16 50

The excess of "provincial" expenditure over "provincial" revenue is estimated in 1931-32 to amount to as much as 34 11 lakhs. It is a remarkable fact that Police and Jails alone swallow up the entire net revenues. It is clear that the province cannot become, for a long time, self-supporting. A large subsidy from the rest of India is, and will continue to be, needed for its day-to-day administration. Considering that a deficit province must suffer a serious handicap in its political evolution, we consider it of great importance that the gap between at least provincial expenditure and provincial revenues should be narrowed as far as possible. Our proposals will help to narrow it to the extent of 10½ lakhs in all (excluding buildings and communications for Frontier Watch and Ward) and of about 4 lakhs in the "provincial" sphere.

(5) *Inchcape proposals* —The Inchcape Committee observed that between 1913-14 and 1922-23 expenditure had increased from 53 17 to 87 61 lakhs while revenues had grown by only a little over 6½ lakhs, (*viz*, from 16 07 to 22 64 lakhs). The increased cost of administration was attributed, mainly, to the disturbed condition of the frontier. Of the total increase of 34 44 as much as 25 15 was accounted for by "Political" (18 10) and "Police" (7 05). The committee recommended reduction of expenditure to the extent of 4 33 lakhs and proposed a regular settlement for a period of years on the same lines as in the case of the North-West Frontier Province. It thus contemplated that the future expenditure on Baluchistan should be stabilised for a term of years at 83 28 lakhs. We have only to add that this figure includes expenditure on such heads as Frontier Watch and Ward (including buildings and communications), Civil Works, Irrigation, pensions, interest charges, famine relief and other heads of expenditure incurred in the province, and that the aggregate 1931-32 provision for the corresponding services is 104 56 lakhs. Thus the province is now costing 21 28 lakhs or over 25 per cent more than the amount contemplated by the Inchcape Committee.

(6) *Departmental proposals* —The department has informally offered provisional reductions of expenditure as follows —

	Budget, 1931-32 offered	Reduction
Land Revenue	3 99	36
Other direct demands on revenue	97	11
Justice	73	01
Jails	2 17	15
Police	12 74	1 03
Ecclesiastical	33	01
Political	16 43	1 87
General Administration	1 57	34
Watch and Ward	28 75	2 14
Medical and Public Health	3 61	40
Agriculture, etc	1 62	63
Miscellaneous	2 60	13
Total	75 51	7 18

This sum of Rs 7·18 lakhs is split up between different units as follows —

	Budget	Reduction
Officers	8 88	63
Establishments	40 23	2 23
Allowances	6 96	1 20
Other charges	19 44	3 12
Total	75 51	7 18

The aggregate reduction works out at about 9 per cent of the “area” grant of 79 34. The department had, and presumably has, under contemplation some reduction in the provision for education, but such reduction finds no place in the figures supplied to us. If the reduction of ·17 on account of the temporary cut in certain compensatory allowances ordered by Government for the current financial year is continued beyond 1931-32, the savings offered will be raised by 17 to 7 35 lakhs.

The important features of the savings offered are —

- (i) Abolition of four posts of Extra Assistant Commissioners. These posts correspond to those of the provincial executive service in the major provinces.
- (ii) Abolition of the Fruit Farm and of the posts of Agricultural Officer and his establishment.
- (iii) Abolition of the establishment of the McMahon Museum, Quetta.
- (iv) Abolition of the Chagai Political Agency and its transfer to the charge of the Assistant Political Agent, Kalat, under the supervision of the Political Agent, Kalat. (Shorarud to be placed under the Political Agent of Quetta-Pishin.)
- (v) Abolition of the post of the sixth officer of the Zhob Militia.
- (vi) Reduction of 60 lakh in the Agency grant for petty construction and repairs.

The Agent to the Governor General has added that the reductions under Medical, Veterinary, Zhob Militia and Petty Construction and Repairs would be restored as soon as finances permitted the restoration.

(7) *Our proposals* —As usual we shall deal, *seriatim*, with the individual heads of account.

ACCOUNT I —Land Revenue

The following table illustrates the growth of expenditure —

	1924-25	1929-30	1930-31	1931-32
Charges of Administration	1 77	1 95	2 02	2 01
Land Records	89	1 09	1 10	1 15
Miscellaneous ..	16	77	77	71
Works		11	28	12
Total	2 82	3 92	4 17	3 99

The increase of .24 under "Charges of Administration" since 1924-25 has been due to (i) revision of pay of the clerical establishment in 1927-28, (ii) grant of house-rent and other allowances from 1928-29, in particular to establishment serving in certain remote areas, and (iii) revision of travelling allowance rates for tahsildars and naib-tahsildars. The strength of the Land Revenue establishment is the same now as it was in 1925-26.

The increase of .26 under "Land Records" is due to (i) the accrual of increments of pay, some increase of establishment and entertainment of outsiders in the place of reserve patwaries officiating in the permanent list and (ii) grant of compensatory allowances to establishments stationed in remote localities. There were 158 Kanungos and Patwaries in 1925-26, 148 in 1926-27 and 152 in 1930-31. The 1931-32 provision is for 154.

The increase of .55 under "miscellaneous" is due to the grant of "grain" allowances and to the change in accounting under which land revenue assignments, which were formerly treated as deductions from revenue, are now treated as expenditure proper.

Under "Works" the increase of .12 is nominal, the cost of petty construction and repairs which used to be charged to the head "General Administration" prior to 1928-29 is now charged to Land Revenue.

Departmental offer and our proposals—The department has offered a saving of 36 lakh. While recognising the necessity for the maintenance of accurate records of titles and claims relating to land, we consider that a saving of 50 lakh should be effected. The reduced provision will still leave a reasonable increase over the actuals of 1927-28.

ACCOUNT II — *Excise, Stamps, Forests and Registration*

The growth of .36 since 1924-25 in the expenditure under "Excise" was caused by (i) an increase of establishment and revision of pay and the consequent increase in other charges and (ii) the treatment as expenditure proper of the cost of opium supplied to the Excise Department which was formerly charged to a suspense head. "Forests" expenditure has increased by .10 since 1924-25 due to increase under conservancy and works, revision of pay and increase of establishment.

Departmental offer and our proposals—The department has offered a saving of .11 lakh in the total budget provision of .97 lakh reducing the expenditure to the level of 1929-30. We consider the offer satisfactory and recommend its acceptance.

ACCOUNT III — *General Administration*

The cost of the administrative and executive establishments is shown under the head "Political". The Agent to the Governor General is also the Chief Commissioner of the province. Each Political Agent is also Deputy Commissioner and the administrative head for such portion of his charge as forms part of British India. He is also District and Sessions Judge. Baluchistan is, however, essentially, a Political Agency rather than a minor British Indian Administration.

The expenditure recorded under this Account is incurred on the following services —

(i) Treasury establishments	28
(ii) Road-side trees, dak bungalows, Residency and other gardens, etc	60
(iii) Other connected expenditure	44
(iv) Petty construction and repairs	25
Total	<u>1 57</u>

The expenditure has varied as below —

	1924-25	1929-30	1930-31	1931-32.
Treasury establishment	25	28	28	28
Other establishments	1 39	1 11	1 05	1 02
Establishment charges paid to other Governments			02	01
Works		24	31	26
Total	<u>1 64</u>	<u>1 63</u>	<u>1 66</u>	<u>1 57</u>

The decrease of 07 as compared with 1924-25 is nominal. Consequent on the transfer since 1924-25 of expenditure on petty construction and repairs from this head to the respective heads to which they relate, expenditure on "Works" has decreased by 25 and that on grants-in-aid included in this account by 01. Increase of establishments, revision of pay and the consequent growth of expenditure under Allowances and Contingencies account for an increase of approximately 19 lakh.

Departmental offer and our proposals — The department has offered to reduce the expenditure by 34 lakh. The provision in the account is, to a very large extent, for the upkeep of the Residency and other gardens, road arboriculture and staging and dak bungalows. Expenditure of this type is amenable, and should be subjected, to serious reduction in times of financial stringency like the present. We propose that a reduction of at least 40 should be made in the 1932-33 provision —

ACCOUNT IV.—Administration of Justice

The following table shows that nominally there has been a growth of 26 in expenditure —

	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32.
Law Officers	01	01		01	02		01	01
Civil, Sessions Courts	18	15	14	16	15	15	16	17
Criminal Courts	27	34	53	53	58	57	52	55
Works					03			
Total	<u>46</u>	<u>50</u>	<u>67</u>	<u>70</u>	<u>78</u>	<u>72</u>	<u>69</u>	<u>73</u>

In fact expenditure has been almost stationary, the apparent increase being due to the transfer from the head "Political" of the cost of an Extra Assistant Commissioner working as Additional District Magistrate and Additional Judge.

The staff too has remained almost the same since 1925-26 with the exception just explained. The department has offered a reduction of .01 and we have no further reduction to suggest

ACCOUNT V — *Jails and Convict Settlements*

The growth of expenditure on, and of the staff kept for, jails is very striking. The following table shows the former (in lakhs) —

1913-14	1920-21	1922-23	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32
34	80	1 00	70	76	96	1 18	1 26	1 20	2 44	2 17

In 1926-27 the entire staff consisted of 4 jailors and 74 subordinate establishment, the 1931-32 budget provides for a costly Superintendent of a Central Jail and 3 Deputy Superintendents each in receipt of a special pay of Rs 50 per mensem, and a subordinate establishment of 3 Assistant Superintendents and 238 warders, etc. The heavy growth of staff and expenditure not only in the Jails budget but also, to some extent, under Police, is due to the construction and maintenance of the central jail at Mach in charge of a Military Assistant Surgeon drafted for service as Superintendent. Some of the growth is only nominal, since the administration is now meeting the cost of its own long-term prisoners, who used to be kept at Baluchistan's expense in various jails in India.

We observe a similar phenomenon in the case of the North-West Frontier Province. In either case we consider that the growth of the jail population and the necessity felt by the administration to construct and maintain its own central jail are not a favourable commentary on the system and the actual methods of dealing with crime. The increased burden to the central revenues is obvious and we hold that it should have been avoided.

Departmental offer and our proposals — The department has offered a saving of only 15. The actual expenditure in 1929-30 was only 1 20. We concede that the new central jail must add to some extent to the cost, but must at the same time save the cost of maintaining prisoners in jails outside the province. We may here draw attention to our remarks on this subject in connection with the North-West Frontier Province. Curtailment of the provision for jails can go a long way towards the adoption of the proper policy and practice as regards the relative merits of imprisonment and other forms of reformatory action. On other grounds too we can support a recommendation for a substantial cut in the provision for jails. We have set them forth in the chapter on the North-West Frontier Province and need not reiterate them. Our recommendation is that the provision for jails should be reduced by at least .50 lakh. Even then the budget will stand at a figure 150 per cent above the actuals of 1924-25.

We must however repeat what we have explained in the chapter on the North-West Frontier Province, *viz*, that the scales of dieting, clothing, bedding, etc., must not be reduced in this province with its trying and extreme climate. The reduction proposed by us should be effected under establishments, allowances, etc.

ACCOUNT VI—*Police (12·74 lakhs)*TABLE—*Growth of expenditure.*

	1924 25	1925 26	1926-27	1927-28	1928-29	1929-30	1930 31	1931-32
Pay of officers	50	42	40	42	44	40	47	54
Pay of Police Force and office establish- ment	7 89	8 00	8 03	8 08	8 14	8 19	8 85	9 38
Travelling allowance	38	42	43	45	52	60	58	57
Other Allowances	1 06	1 26	1 10	1 06	1·08	1 05	1 00	1·04
Clothing and Arms and Ammunition	61	59	75	91	24	48	19	05
Other Supplies and Services	10	15	14	01		01	01	01
Contingencies	56	54	56	50	53	53	56	49
Grants in-aid					03	39	58	63
Deduct—Recoveries	—	—	—	—	—	—	— 01	— 01
Contribution to Punjab for training school	05	01	02	02	02	02	02	02
Works					02	05	05	02
Total	11 15	11 39	11 43	11 45	11 02	11 72	12 30	12 74

The expenditure has been rising almost continuously. The increase of police expenditure was nearly 138 per cent, viz., from 5 11 in 1913-14 to 12 16 (budget) for 1922-23. The Inchcape Committee drew attention to it and ascribed the growth of police and political expenditure to the prevalence of disturbed conditions on the frontier. Almost a decade has passed since those remarks were recorded, but no relief to central revenues has resulted so far as this expenditure is concerned. Mr Jukes drew attention to the tendency to "over-estimating" in this budget. Even compared with 1928-29, the current provision is over 15 per cent more.

We note that the staff too has been growing, as the following table shows —

	1925 26.	1928 29	1929-30	1930 31	1931-32
Officers	5	5	5	6	6
Police Ranks	2,198	2,070	2,070	2,202	2,376
Other establishment	61	63	63	63	68

In this connection we must also draw attention to the heavy expenditure on frontier watch and ward by the various civil defence forces whose duties are alleged to stand midway between those of the regular Army and the armed district police. Conversely, some portion, at least, of the ordinary police including the mounted police is often called upon to perform frontier duties, e.g., dealing with outlaws, raiders and other desperados.

The department has offered a reduction of 1 03 lakhs. The details of the offer were not supplied to us. Apart from a few broad suggestions for the

reduction of expenditure we recommend that the provision be subjected to a block cut of 1 50 lakhs. The specific suggestions we make are —

- (i) One of the officers' posts should be cut out. Even as late as 1929-30 there were only 5 officers. This will yield a saving of nearly .06 and will be in accordance with Government's instructions that officers' posts in all departments should be reduced by 10 per cent.
- (ii) Until 1928-29 there used to be no special pay for the Superintendent. One of Rs 150 per mensem is now in force. We recommend its abrogation, saving 02.
- (iii) The growth of the police force by 8 per cent in one year (from 2,202 in 1930-31 to 2,376 in 1931-32) is, we consider, in excess of the requirements of the province. But, in fact the growth of the police force is even greater than these figures show. In addition to the regular force we find that there is a substantial additional temporary police force costing .20 lakh for the central jail at Mach. There is another provision of Rs 1,300 for temporary police force. We cannot accept the reasons for such heavy growth of the police force in one year and must urge its reduction by a substantial number. Conditions in Baluchistan are comparatively quiet, at any rate more so than in the aftermath of the Third Afghan War, and the needs of the North-West Frontier Province furnish no valid analogy. We recommend that every effort should be made to work down to the 1928-29 strength.
- (iv) Inchcape Committee suggested that a reduction in the scale of pay for new police recruits seemed possible. The department explains that a reduction of 50 was made in the provision for the pay of Head Constables and Constables and the specific question of reduced scales of pay was therefore not pursued. We are not satisfied that this was a valid ground for dropping the question and we suggest that it should be examined afresh. The times are, if anything, more propitious for the introduction of the suggested change than they were in 1922-23 or 1923-24.
- (v) In view of the low prices prevailing, the provision for police clothing and equipment should be curtailed. Since the question is already under examination by the department, we refrain from proposing a concrete figure.
- (vi) Further, we suggest that the cost of the special police force for the Mach Central Jail might be shown under the head Jails, etc., otherwise the picture of the growth of expenditure would be misleading.

ACCOUNT VII — *Ecclesiastical.*

The 1931-32 provision is 33 lakh and has already been dealt with in Part II of our report.

ACCOUNT VIII.—*Political.*

The expenditure has nominally grown by only 68 lakh. In fact the growth is over a lakh and a half. This is because certain items which used to appear under "Political" now appear under "Administration of Justice" and "customs" and also because the 1924-25 figures included an unusual outlay (*viz* 55) on a railway survey. The real growth of expenditure thus becomes 1.65 and has been caused by an expansion of staff resulting in enhanced outlay on pay, allowances and contingencies, revision of pay and accrual of annual increments.

The Inchcape Committee observed that expenditure on "Political" had been growing rapidly, having increased by over 75 per cent in the period 1913-14 to 1922-23. This head then included Frontier Watch and Ward. Compared with the figures reviewed by that Committee expenditure has grown by about five lakhs. Under "Political", however, expenditure nominally did not grow appreciably until 1931-32.

The department has offered to reduce the expenditure by 1.87 lakhs. We consider this offer satisfactory as it will take the expenditure back to the 1924-25 level and we recommend that it should be accepted.

We may, however, draw attention to the need for scrutinising the numbers of agencies and of superior posts and the need for the grant of special pays and allowances including the language allowance. We approve the department's proposal to abolish the Chagai Agency by amalgamating part of it with the Kalat Agency and a part with the Quetta-Pishin Agency. As regards superior appointments, the need for the post of a Revenue Commissioner on the same scale of pay as in the North-West Frontier Province should be reconsidered. The "area" budget to be handled is less than one-third of that of the North-West Frontier Province and therefore the post can perhaps be abolished or at least reduced in status. The special pay of Rs. 350 to the Residency Surgeon is out of all proportion to his duties as the so-called Chief Medical Officer. It appears to be based on the analogy of the North-West Frontier Province. But the Chief Medical Officer's duties in Baluchistan (*viz*, Medical attendance on the Residency staff, supervisory and co-ordinating charge of all medical work, examination of indents and inspection of hospitals and dispensaries) can by no means be compared with the duties of the Chief Medical Officer in the North-West Frontier Province and even in that case we have already recommended a reduction of Rs. 150 per mensem. We presume that since Quetta is the headquarters of the Western Command, army surgeons are available. We also understand that the army has got its own medical directorate at Quetta. So far as railway employees are concerned, we presume that surgeons in the employ of the railway are also available on the spot. If so we cannot understand how the duties of the Civil Surgeon can at all be very heavy with only a small civil population to look after. Hence our proposal is that this post should be amalgamated with that of the Civil Surgeon of Quetta. If the department considers this impossible on the ground that the Civil Surgeon's duties are heavy, we suggest the creation of a post on a lower scale of pay for Quetta. In any case, the Chief Medical Officer's special pay should be abolished. In the case of Delhi, Ajmer, etc., also we have

recommended such abolition. We presume that Government's instructions about the reduction of the number of officer's posts by ten per cent will be carried out in the case of superior officers posted to Baluchistan and we trust that the posts to be abolished will be at least evenly distributed among the various grades. Since we recommend the acceptance of the reduction offered by the Foreign and Political Department, we need not examine the various heads of expenditure in detail. A casual glance at the estimates, however, shows that there are items on which expenditure can be reduced without serious inconvenience to officers or risk to the administration. We trust that though we recommend acceptance of the block cut, the general line along which we have worked out our retrenchment schemes in the case of other areas, agencies and departments will be kept in view by the department in giving effect to our recommendation.

ACCOUNT IX — *Frontier Watch and Ward*

Excluding the provision for "Works" the cost on Frontier Watch and Ward has been as follows —

1924-25	'25-26	'26-27	'27-28	'28-29	'29-30	'30-31	'31-32
25 04	25 46	26 49	27 25	27 92	28 95	28 60	28 75

Expenditure on Frontier Watch and Ward used to be included in that on "Political" and it is not easy to work out separate reliable figures for 1913-14 and 1922-23

We may draw attention to our general remarks relating to Frontier Watch and Ward in the case of the North-West Frontier Province. The problem of defending the Baluchistan frontier by civil formations organised, disciplined and equipped on the lines of the army, is in essence similar to, though undoubtedly smaller in scale than, that in the North-West Frontier Province. The following table shows the strength of the formations maintained for the watch and ward of the Baluchistan frontier —

	Officers		Men	
	1924-25	1931-32	1924-25	1931-32
(i) Zhob Militia	*	8	1,267	1,419
(ii) Mekran Levy Corps	*	3	490	503
(iii) Chagai Levy Corps	.	.	167+186	

In 1927-28 an addition of 4 Indian officers and 148 men to the Zhob Militia was sanctioned with the object of restoring the pre-1919 degree of control over the Zhob Agency which had received a set-back in 1919. The Chagai Levy Corps (strength 167) was sanctioned as a permanent measure in 1929-30 with the objects of (a) replacing the regular troops till then employed for the protection of the Nushki Extension Railway, (b) watching the Afghan border near Pishingi and prevention of raids from the Pishingi and Bostan directions and (c) prevention of raids through Shorarud into Kalat. Besides the permanent portion of 167 men there is a temporary portion (186 ranks) of the Chagai Levy Corps. This portion is the additional body sanctioned in 1924 as a temporary measure to guard the Perso-Baluch border on the withdrawal of regular troops from Khwash, Mirjawa and Duzdap and from the railway stations to the west of Dalbandin. Experience showed the difficulty of controlling this additional

force from Mekran and the control was transferred to the Political Agent at Chagai. Besides the expenditure on the Levy Corps themselves some miscellaneous expenditure is also incurred. A Police Intelligence Bureau is maintained in charge of an Intelligence Officer (pay Rs 1,500) in connection with the Frontier Watch and Ward. Apart from the medical establishment attached to the Levy Corps themselves, a hospital establishment consisting of 4 Sub-Assistant Surgeons and 13 others is also maintained.

Other civil armed forces called district levies are also maintained, they are in the nature of tribal police. In some cases they provide their own arms, in others the arms are provided by Government. Their strengths in 1924-25 and 1930-31 are —

Name of District	1924-25	1930-31
Quetta-Pishin	453	440
Sibi	628	627
Chagai	53	40
Loralai	343	354
Kalat	249	258
Zhob	683	727
Headquarter Levies	21	21
Total	2,430	2,467

The net increase of 37 in the total strength was caused by the need felt to employ 85 additional men for the protection of the Harnai Fort-Sandeman Road (40 men), Zhob Valley Railway (26 men) and the Loiband Post (19 men for six months in the year) counter-balanced by a decrease of 48 in the levies otherwise employed.

The department has informally offered a reduction of 2 14 lakhs.

Our proposals—We may first draw attention to our remarks in Chapter III on the subject of charging Frontier Watch and Ward expenditure to the Army budget. Pending a decision on that question, we consider that a reduction in expenditure appreciably in excess of that offered by the department should be effected. So far as we are aware, Baluchistan is comparatively quiet. The Inchcape Committee considered even the 1922-23 scale of expenditure on Frontier Watch and Ward (then included in "Political") excessive and recommended a reduction which even on a pro-rata basis would amount to about 2 lakhs. Or to put it in other words it recommended for "Political" and for "Frontier Watch and Ward" a combined budget of about 40 lakhs. This recommendation, however, took account of the fact that as a result of the third Afghan War conditions on the frontier, including in this case Baluchistan, were still considerably disturbed. This special factor is no longer in existence. We therefore think that every attempt should be made to bring down the expenditure on Frontier Watch and Ward to a figure not exceeding that recommended by the Inchcape Committee. Compared with 1924-25 expenditure has grown by 3 71 lakhs, and, as remarked by Mr Jukes, has been almost entirely caused by increases of establishment in the various constabulary and levy corps employed on the frontier. Further, we understand that

the line now finishes at Kundi Koh, if so, we consider that the strength of the Chagai levies could be considerably reduced

In the light of all these considerations we recommend that the reduction should be at least 4 lakhs. Even when full effect is given to our recommendation, the expenditure on this head will still be appreciably in excess of that incurred in 1920-21

ACCOUNT X — *Education*

Expenditure has grown from 2.33 in 1924-25 to 3.83 lakhs. There is no educational institution of the rank of a college and, so far as we can see, only one Government High School. The inspection staff consists of an Inspector of Schools, an Assistant Inspector and a Junior Assistant Inspector. The department informed us that proposals for retrenchment in the educational expenditure were being examined and that the result of the examination would be communicated. We do not know the conclusions the department has reached. As regards our own view we may draw attention to our remarks in Part I* of our Report, where we have pointed out the undesirability of curtailing expenditure on Education, which as a matter of fact receives wholly inadequate support from public funds. In this province as in the North-West Frontier Province it is mainly by means of education that the political, administrative and social problems can ever be permanently solved. We are unable to share responsibility with the department for any reduction in the educational grant. We have laid it down as a policy that beneficent activities which are now more or less starved should not be brought under retrenchment and we see no reason whatsoever to depart from that rule in this case.

ACCOUNT XI — *Medical (3.46) and Public Health (15)*

Total medical and public health expenditure has grown as shown below —

Sub-Head.	1924-25	1931-32	Increase (+)
	Actual	Budget	or Decrease (—)
	Rs	Rs	Rs
A. Medical Establishment	66,798	60,200	—6,598
B. Hospitals and Dispensaries	2,49,028	2,75,900	+26,872
C. Mental Hospital	4,127	5,000	+873
D. Medical Colleges and Schools Contributions to other Governments, Departments, etc		4,600	+4,600
E. Medical Works	700	300	—400
F. Public Health establishment	10,427	10,800	+373
G. Grants-in-aid for Public Health purposes	4,000	4,200	+200
Total	3,35,080	3,61,000	+25,920

The department explains that medical expenditure has during the same period grown by 65 per cent in the Punjab against only 7 per cent in Baluchistan. The higher *per capita* expenditure (fourteen annas in Baluchistan against six in the Punjab) is attributed to the political importance of medical and health work in a frontier province. It has, all the same, informally offered

·40 under "Medical and Public Health" We have, generally speaking, not seen our way to recommend the acceptance of the departmental offers to reduce expenditure under such beneficent heads In this case, however, we recommend that, subject to what we have stated about special pays and allowances, the department's offer should be accepted

ACCOUNT XII — *Agriculture, Veterinary, Museum, Minerological exploration and miscellaneous departments*

The budget provision for 1931-32 is 1·62 lakhs and the department has offered 63 under this head of Account We must enter our emphatic protest against the proposal of the department to abolish the fruit farm and the agricultural officer and establishment In our opinion this is the industry which holds out the greatest promise for this province and it ought to be a serious concern of the department to see that horticulture is properly developed which would mean not only a source of wealth to the province but also of considerable employment to its poor inhabitants and consequentially a reduction of expenditure on the political and military forces quartered in Baluchistan It will have generally a distinct civilising effect besides supplying the rest of India with fruits (dried as well as fresh) We further think that the railways should provide adequate facilities in the form of cold storage If horticulture is fully developed all along the north-west frontier and Baluchistan, there should be no lack of fruits for the whole of India Subject to these remarks we recommend that the offer be accepted

ACCOUNT XIII — *Miscellaneous*

The 1931-32 provision is 2·60 lakhs and the department has offered a reduction of ·13

1 515 lakhs is the aggregate of quit-rents payable to His Highness the Khan of Kalat and Nushki Compensations to that ruler and to the ruling family of Khetian and other compensations amount to Rs 32,400 For purposes of retrenchment, the provision of 2 60 lakhs is thus reduced to 76 lakh We consider the offer to effect a reduction of 13 (*i e*, 17 per cent) satisfactory and we recommend its acceptance

Special pays and allowances

In the case of Baluchistan also we may draw attention to what we have stated on this subject in Chapter III (page 54) on the North-West Frontier Province and we make the same recommendation, *viz*, that all special pays and allowances (except fixed travelling allowances and payments charged to railways, estates and other funds) should be reduced by 50 per cent In this case also we have not been able to work out a precise estimate of the total resultant saving But so far as we can see, our proposal should yield about ·20 lakh on officers' special pays and allowances

(8) *Beneficent activities* — We are distinctly of the opinion, as we have made it clear on more than one occasion that beneficent activities, *e g*, education, medical, agriculture, veterinary should not be subjected to any reduction We have noticed that, in fact, the Government of India have so far done very little indeed to encourage the growth of such activities Although we notice that in recent years Government have increased the

expenditure on education, we contend that even then it falls short of the needs of the country

(9) *Summary of savings* —On our proposals the expenditure under the “area” grant for Baluchistan will be reduced by 10 25 lakhs as follows —

Account I —Land Revenue	50
Account II —Other Revenue Heads	11
Account III —General Administration	40
Account IV —Administration of Justice	01
Account V —Jails	50
Account VI —Police	1 50
Account VII —Ecclesiastical (dealt with in part II)	.
Account VIII —Political	1 87
Account IX —Frontier Watch and Ward	4 00
Account X —Education	<i>Nil</i>
Account XI —Medical and Public Health	40
Account XII —Agriculture, etc	63
Account XIII —Miscellaneous	13
Special pays and allowances	20

In addition, we have proposed a saving of 2 25 lakhs on Baluchistan—Frontier Watch and Ward, Buildings and Communications (non-area) Further there will be some saving on the special pays, allowances, etc, of establishments of which we are unable to estimate the amount

Out of the total saving of 12 50 lakhs about four lakhs will be a saving on the administration of “Provincial” subjects, and to this extent the existing gap between “provincial” expenditure and revenues will be narrowed

CHAPTER V.

GRANT NO. 81 —AJMER-MERWARA.

(1) *Introduction* —The “province” of Ajmer-Merwara is an isolated British-Indian enclave in the centre of Rajputana. It consists of two districts, *viz*, Ajmer and Merwara, divided for administrative purposes into three tahsils. The area is 2,710 square miles and the population a little over 5½ lakhs. Ajmer City (population nearly one and a quarter lakhs), Beawar, Kekri and the Cantonment of Nasirabad are the important urban areas. Pushkar about 7 miles from Ajmer is an important town and one of the most important places of Hindu pilgrimage. Ajmer City contains the famous *dargah* which also attracts thousands of Muslim pilgrims from all over India.

Being in the centre of Rajputana the city of Ajmer commands an exceptionally favourable situation from the point of view of political control over the Rajputana States. It has therefore always been prized by powers aspiring to the suzerainty or political domination of Rajputana. From the Moguls it was wrested by the Rajputs who ceded it to the Marathas, the latter held it till the break-up of the Peshwa's power in 1818. In that year the Scindhia ceded the district of Ajmer to the East India Company. Under a treaty with the Scindhia concluded in 1860 five villages were added to the district.

The district of Merwara was formed out of territories taken from the Mewar and the Marwar States and placed under British administration. Subject to certain stipulations as regards the payment of revenues and the disposal of revenues in excess of certain figures the Government of India have and exercise full administrative control over both portions of Merwara. The district of Merwara was amalgamated with the district of Ajmer in 1842.

(2) *Organisation* —This area or “province” is a true minor administration controlled by the Foreign and Political Department and is administered by a Chief Commissioner who is also Agent to the Governor General for Rajputana. His pay is charged, *in toto*, to the Rajputana estimates. The Judicial Commissioner of the Western Indian States Agency is also Judicial Commissioner for Ajmer-Merwara, but his whole pay is debited to the estimates of the former.

The district administration is on the usual lines, except that the district officer is called a Commissioner and gets a special pay of Rs 150 p m. He is assisted by an Assistant Commissioner and three Extra Assistant Commissioners. There is also a fourth Extra Assistant Commissioner whose post is borne on the Excise estimates, he is called Superintendent of Excise.

Wherever necessary, the staff employed for the various services will be described in the body of our proposals.

(3) *Expenditure and revenues* —The 1931-32 provision for the “area” is 18.48 lakhs. Besides, there are provisions aggregating 17.46 lakhs but included in other demands.

The following table shows how the expenditure on the various sub-heads of the “area” grant and on certain grants provided under other demands has grown. In this connection we draw attention to our remarks in connection with the Delhi grant. In particular, the provision of 14.62 lakhs for the payment of interest on ordinary debt and the major portion of 2.15 for pensions have nothing to do with the administration of Ajmer-Merwara as such.

Expenditure on	77									
	1922 23.	1924. 25	1925. 26	1926. 27.	1927- 28.	1928- 29	1929- 30	1930- 31.	1931- 32	
Land Revenue	1 25	1 17	1 22	1 30	1 23	1 31	1 36	1 32	1 33	
Excise	29	29	35	38	37	37	36	37	37	
Stamps	06	06	07	07	06	18	06	06	07	
Forests	40	49	55	80	83	76	81	76	1 19	
Registration	02	02	02	03	03	02	02	03	03	
General Administration	1 61	1 32	1 42	1 57	1 60	1 46	1 55	1 44	1 52	
Administration of Justice	94	1 00	1 03	1 11	1 12	1 15	1 23	1 22	1 24	
Jails, etc	58	56	55	55	60	52	49	60	62	
Police	3 86	3 57	3 90	3 76	3 71	3 67	3 69	3 79	3 68	
Scientific Departments	05	03	04	04	04	04	04	04	05	
Education	2 38	2 32	2 48	2 64	3 36	3 06	4 17	4 52	4 95	
Medical	68	72	1 31	1 29	91	94	90	1 26	1 22	
Public Health	02	02	04	04	04	04	04	04	04	
Agriculture, etc	21	26	28	29	45	43	43	44	45	
Miscellaneous Departments	02	01	05	06	05	07	07	08	08	
Famine Relief			09	90					1 31	
Pensions, etc	1 94	1 39	1 93	1 72	1 78	1 75	1 92	2 06	2 15	
Stationery and Printing	10	03	03	05			01	01	01	
Miscellaneous charges	21	25	18	17	17	17	18	23	18	
Total " Provincial "	14 02	13 51	15 54	16 77	16 35	16 54	17 42	18 27	20 49	
Taxes in Income	06	07	09	09	09	10	10	10	11	
Ecclesiastical	19	23	19	22	13	18	14	15	16	
Currency	35	26	35	59	41	38	30	35	35	
Territorial and Political Pensions	01							01	01	
Census								03	03	
Total " central "	61	56	63	90	63	66	54	64	66	
Grand Total	15 23	14 07	16 17	17 67	16 98	17 20	17 96	18 91	21 15	

The following table gives the details of revenue and receipts under each head. It will be seen that the latest figures are in the neighbourhood of 17 lakhs

	1924- 25.	1925- 26	1926- 27	1927- 28	1928- 29	1929- 30	1930- 31	1931- 32
Land Revenue	2 78	2 67	2 32	3 00	3 15	2 55	2 90	2 93
Excise	7 09	7 14	6 88	7 08	7 44	7 16	6 60	6 70
Stamps	2 63	2 58	2 71	2 98	3 04	3 03	3 18	3 18
Forests	66	73	67	77	88	94	90	92
Interest	40	46	36	34	55	38	1 40	39
Registration	12	12	12	13	13	15	14	14
Administration of Justice	54	30	24	22	22	23	18	20
Jails and Convict Settlements	12	12	10	16	15	12	14	15
Police	04	05	06	09	08	10	03	03
Education	35	36	39	34	37	39	38	37
Medical	01	01		01	01	01	01	01
Miscellaneous Departments	02				03	03	10	10
Superannuation Allowances and Pensions	03	02	04	33	— 01	04	04	04
Stationery and Printing						07	07	06
Miscellaneous Charges	02	— 03	10	— 29	03	05	02	01
Total "Provincial Subjects"	14 81	14 53	13 99	15 16	16 07	15 25	15 09	15 23
Taxes on Income	2 62	2 45	2 01	2 73	3 07	3 80	2 12	2 12
Customs	92	90						
Currency		01	01			01	01	01
Total 'Central' Subjects	3 54	3 36	2 02	2 73	3 07	3 81	2 13	2 13
Grand Total	18 35	17 89	16 01	17 89	19 14	19 06	17 22	17 36

After a review of the revenue and expenditure position Mr. Jukes' conclusion was that this province was a "deficit" one to the extent of about four, or, if receipts from central subjects be excluded, six lakhs. Since he wrote, the gap has become wider. But his conclusion has been challenged, mainly on the ground that under the present arrangements for its administration the province has to bear some expenditure which is in essence foreign to it. The issue is important from the point of view of the place which should be assigned to it in the future constitution of India. We have not had time to examine this question critically and we are content to leave it open.

Analysis of the growth of expenditure —There has been no major change to explain the growth of expenditure. Hence we consider it will be more useful if we give reasons for the growth of expenditure, wherever necessary, in the body of our proposals and as explanatory thereof rather than analyse the reasons in one place.

(4) *Inchcape proposals* —The Inchcape Committee remarked that expenditure on Ajmer-Merwara had grown from 9.09 lakhs in 1913-14 to 15.33 lakhs in 1922-23. Although the receipts (10.50 lakhs) taken into consideration by that Committee were in excess of the expenditure (17.30 lakhs), it felt constrained to observe as below —

“ We have recommended economies to the extent of Rs. 40,600. We have, however, been unable in the time available to go into details in the case of this small but expensive administration and we recommend that a special enquiry should be made on the spot with a view to effect immediate reduction of establishment as was done in the case of Coorg ”

Accordingly Mr. Campbell was appointed to review the expenditure of Ajmer-Merwara. He made various proposals. From the table given in paragraph (3) it will be seen that in fact the expenditure grew by over 9 lakhs during the period 1924-25 to 1929-30. We shall, if necessary, refer to detailed proposals made by the Inchcape Committee under Police, etc., in the body of our own proposals. Here we may only observe that the growth of expenditure has taken place largely under the heads “ Education ”, “ Civil Works ”, “ General Administration ”, “ Administration of Justice ”, “ Forests ”, “ Irrigation ”, “ Medical ” and “ Pensions ”.

(5) *Department's proposals* —The department has offered a reduction of 2.45 lakhs as shown below —

		1931-32 Budget	Reduction
		Rs.	Rs.
Land Revenue	.	1.33	0.14
Excise	.	0.37	0.01
Stamps	.	0.08	..
Forests	.	1.20	0.14
Registration	.	0.03	..
General Administration	.	1.52	0.02
Administration of Justice	.	1.24	0.03
Jails and Convict Settlement	..	0.62	0.01
Police	;	3.68	0.32
Ecclesiastical	.	0.16	..
Museum	..	0.05	..
Medical	.	1.22	0.21
Public Health	.	0.04	..
Agriculture	.	0.45	0.04
Miscellaneous Departments	..	0.07	..
Famine Relief	.	1.31	1.31
Miscellaneous charges	.	0.18	0.03
Details awaited	.	.	0.19
Total	..	13.53	2.45

It will, however, be noticed that the offer includes a saving of the entire provision, *viz*, 1 31 lakhs on account of Famine Relief. This reduction is automatic and although it does help the budget position for 1932-33, it can in no sense be regarded as genuine retrenchment.

On the total "area" grant of 18 48 lakhs this works out at a little over 13 per cent or if 1 31 lakhs offered under "Famine Relief" be excluded, 6-2/3 per cent. The aggregate budget provision of the items on which the reduction has been offered is 13 53 lakhs, on this basis the reduction offered works out at 18 per cent and excluding the savings under famine relief at a little over 9 per cent.

Distributed under sub-heads, the reductions will appear as shown below —

	1931-32 budget Rs (in lakhs)	Reduction Rs (in lakhs)
Pay of officers	2 15	0 04
Pay of Establishments	6 03	0 55
Allowances	0 61	0 10
Other charges	4 74	1 76
Total	13 53	2 45

The department has also explained that the entire grant under the major head "Education", and the reductions proposed thereunder were at the time under scrutiny in the Department of Education, Health and Lands and therefore could not be included in the scheme of savings supplied to us.

(6) *Our proposals* —

ACCOUNT I.

Land Revenue — The 1931-32 provision is 1 33 lakhs. In 1922-23 the expenditure was 1 25. In consequence of the retrenchment campaign of 1922-23 the actuals of 1924-25 were 1 17 lakhs. The department has offered a saving of 14 lakh, which would take the expenditure, practically speaking, to the 1924-25 level. We recommend a reduction of 16. Although in the Skeleton Scheme supplied by us to the Finance Department in December 1931 we had recommended a reduction of 20, we have found reason to revise our recommendation slightly.

Excise — The 1931-32 provision is 37. The department provisionally offered a saving of 01. The staff maintained consists of a Superintendent (Rs 300—800) who has reached the maximum of his scale and six clerical and 34 subordinate executive establishment. We recognise that Excise is a very important head of the revenues of this province, the actual receipts of 1929-30 being 7 16 lakhs. We think, however, it should not be difficult to save 02.

Stamps — The 1931-32 provision is 06 lakh. The expenditure is not amenable to reduction, since most of it is for charges for the sale of stamps and the value of stamps supplied from the Central Stamps Store Depot. We have no proposals to make.

Forests—The 1931-32 provision is 1 195 lakhs. An Extra Assistant Conservator on Rs 250—750 with a special pay of Rs 100, a forest establishment of 57 and a ministerial and inferior establishment of 13 is the staff maintained in connection with forests. Apart from the cost of establishment, the main items of expenditure are (a) the removal by Government Agency of timber, etc., (b) rent of leased forests and payment to shareholders in forests managed by Government and (c) arboriculture on the Beawar-Dewair road in Merwara. The department has offered a saving of 14 lakhs. We observe that the actual expenditure of 1929-30 was 81 lakh. In that year conservancy, maintenance and regeneration cost 41 lakh against the budget provision of 79 lakh in 1931-32. Again we observe that the estimated receipts for 1931-32, *viz*, 92 are slightly worse than the actual receipts of 1930-31, *viz*, 94.

Our proposals regarding forests are —

(a) The 1931-32 budget contains a provision of Rs 35,000 for the payment of rent in respect of leased forests and payments to shareholders in forests managed by Government. These payments become due once in five years, the last payments were made in 1926-27. The Chief Commissioner has agreed that in the interests of reduction of expenditure the payments should be spread over three years. On his own proposals there should be a reduction of expenditure by 20 for 1932-33. Besides, we suggest that the department might consider the question of making these payments annually so that the budget position might not undergo violent fluctuations every fifth year.

(b) The department has offered to reduce the expenditure by 14 lakh. We consider that there is considerably more scope for retrenchment. The following statement of Revenue and Expenditure in 1924-25 and 1931-32 will in this connection prove useful —

Expenditure

	Actuals, 1924-25 Rs.	Budget, 1931-32. Rs.
Conservancy and Works—		
Non-voted . . . . .	.	35,000
Voted	24,227	44,400
Establishments—		
Pay of officers	19,821	9,400
Pay of establishment . . . . .	.	19,500
Other charges	5,077	7,400
Deduct—Share of establishment charges transferred to “ 52-A—Forest Capital Outlay ”		—1,100
Interest on Forest Capital Outlay		1,100
Share of Capital charges financed from ordinary revenues		3,800
Total	49,125	1,19,500
Increase Rs.	70,375	

Revenue

Actuals, 1924-25 Rs	Budget, 1931-32 Rs
66,062	92,000
Increase Rs	25,938

The department's view is that the expenditure incurred was essential in the interest of enhanced forest revenues, *e.g.*, by the construction of new feeder roads to open up forest areas otherwise inaccessible. It points out that forest revenues as a whole have increased from 66 in 1924-25 to 92 (estimated) in 1931-32. It holds that retrenchment may jeopardise future revenue and impair the value of forests and involve the risk of waste of the expenditure already incurred.

The case made out by the department does not sound convincing to us and we draw attention to the following matters —

- (1) Arboricultural operations for which a provision of Rs 11,500 has been made in the 1931-32 estimates appear to us to be a local activity and not one to be financed from central revenues. In any case new arboricultural schemes or portions of such schemes can be held in abeyance.
- (2) The department undertakes certain commercial operations, for example, the manufacture of charcoal, the alleged ground being that the forests are so situated that private exploiters are not attracted. The result, however, is that 80 per cent of the total cost is incurred on account of manufacture and transport by carts and coolies. The department thinks that if this departmental exploitation is stopped the price of charcoal in Ajmer city would rise. We do not believe that such commercial operations are appropriate for a Government department. Besides, the principle underlying this view amounts, in our opinion, to a direct discouragement of private enterprise. We recommend that this activity be stopped and all resultant economies be given effect to.
- (3) We are not sure that in the present financial stringency further investment in "Conservancy, Maintenance and Regeneration" is necessarily a sound policy. We think that the programme should be slowed down and the voted provision for this should be reduced.
- (4) Of the increased expenditure about 12 is a permanent increase due to the increase of establishment and revision of the pay of the Extra Assistant Conservator and his establishment and the consequential increase in travelling and other allowances. We consider that expenditure on account of the staff has been allowed to grow disproportionately to the growth of the forest revenues, and propose that both establishments and expenditure should be reduced. It should be possible to employ an Extra Assistant Conservator of lower standing in place of the present officer, and in any case the special pay of Rs 100 should be abolished.

In the aggregate the department should reduce the expenditure to the level of 1929-30, *i.e.*, by 38 lakh, including an automatic saving of 20 already explained above.

Registration.—The 1931-32 provision is 03. A ministerial and inferior establishment of five is maintained in connection with Registration. Apart

from the provision for its pay there is only a small provision of Rs. 200 for other charges. We have no recommendation to make.

ACCOUNT II — *General Administration.*

The expenditure has grown from 1 32 in 1924-25 to 1 52 provided in the current budget. The peak was reached in 1927-28, when the expenditure went up to 1 60.

The superior staff has already been described. The ministerial and inferior staff numbers 97.

The department has offered a saving of .02 lakh. We consider this inadequate.

The "Commissioner's" charge is light and the officer is borne on the regular cadre of the Political Department. Hence, we think, no special pay should be required.

In 1925-26 the strength of the district establishments was only 83. In 1931-32 it is 97 and the provision for temporary establishment is Rs. 3,100 as against Rs. 1,500 in 1925-26. We consider that establishment has been allowed to grow unduly rapidly. In our tentative proposals we had recommended a reduction of .09. We observe that Government have effected a reduction of .22. We have nothing more to suggest.

ACCOUNT III — *Police.*

The district executive police is controlled by a District Superintendent of Police assisted by a Deputy Superintendent. The force itself consists of 38 subordinate officers and 823 ranks. An office establishment of 13 clerks and servants in addition to 5 others makes up the rest of the establishment in connection with the police.

The expenditure has not grown very much. It was 3 57 in 1924-25 and the revised estimates and the budget provision for 1930-31 and 1931-32 are 3 79 and 3 68, respectively. We also note that the strength of the force has remained more or less stationary. The department has offered a saving of .32 lakh, and subject to what we state below, we consider the offer acceptable.

We are not quite sure that a small area like Ajmer-Merwara needs both a Superintendent and a Deputy Superintendent. We may here draw attention to the fact that there are an Inspector General of Police, a Superintendent and a Deputy Superintendent of Police in charge of the Rajputana Police. Instances can be given of ordinary districts of the size of Ajmer-Merwara where the police is controlled and administered by a Superintendent without the assistance of an Assistant or a Deputy. We therefore suggest that the post of Superintendent of the Railway Police might perhaps be amalgamated with that of the District Superintendent as, we understand, has recently been done in the United Provinces. If necessary, another Deputy Superintendent might be appointed to relieve the Superintendent of his routine duties.

In addition other economies should be effected so as to bring the total to 50 lakh.

ACCOUNT IV.—*Education* (4 95)

The provision for Education has more than doubled since 1924-25. The departmental scheme of reduction supplied to us did not mention any specific amount by which it was proposed to reduce the expenditure on Education. We now observe that the expenditure has been reduced by 64. We are not prepared to accept any responsibility for this reduction. The policy we have always pursued is that there should be no reduction in the expenditure on Education which in fact has not derived benefit to anything like the extent of the needs of the country.

ACCOUNT V — *Other Expenditure Heads*

A Administration of Justice — We have already stated that the Judicial Commissioner of the Western India States Agency is also Judicial Commissioner for Ajmer-Merwara. But his entire pay is debited to the Western India States Agency budget. The Commissioner is the Districts and Sessions Judge. An additional District and Sessions Judge (pay Rs 1,000—1,200) and two subordinate Judges (pay Rs 300—800), a Judge of a small cause court (pay Rs 300—800) and a City Magistrate on the same scale are the judicial officers maintained for the district. The 1931-32 provision is 1.24 lakhs. Expenditure has been growing steadily as will be seen from the following table —

1922-23	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32
94	1 00	1 03	1 11	1 12	1 15	1 23	1 22	1 24

Establishments have grown only in the following two cases —

	1925-26	1931-32
General Establishment	26	28
City Magistrate's Establishment	25	31

In other cases we observe that there has been no appreciable growth. It thus appears that a good deal of the growth has been caused by factors other than the growth of staff. The department has offered to effect a reduction of .03 lakh. We recognise that a large proportion of the expenditure on judicial administration is incurred on the staff's pay.

In the skeleton scheme we suggested a reduction of 10. On further consideration, however, we think that the department should effect a reduction of .04.

B Jails and C Jail Manufactures — The Civil Surgeon is in superintending charge of the jail and gets a special pay of Rs 150. A whole-time jailor (Rs 200—240) and an establishment of 50 including a dyer form the subordinate jail establishment. The 1931-32 combined provision for these sub-heads is 62 lakh. The actuals for 1929-30 were 49 lakh. The main items under which increased provisions have been made are dieting, clothing and similar charges and jail manufactures. The increased provisions were probably made in anticipation of political disturbance resulting in a larger jail population. The department has proposed a saving of Rs 1,000. In our opinion, however, it should not be difficult to effect a reduction appreciably in excess of the departmental offer. To start with we consider that the jail duty allowance to the

Civil Surgeon should be reduced to Rs 100—the same as that recommended by us for Delhi. Secondly, we observe that against an establishment of 38 in 1926-27 the establishment now numbers 50. This increase works out at nearly 32 per cent in five years. In our opinion the staff is excessive. A reduction by at least five should be made, saving Rs 1,540. Besides, as a mere result of lower prices of food stuffs, clothing, etc., it should be possible to save at least 10 per cent over the provision of Rs 32,000 for dieting clothing, etc. We may draw attention to the fact that this provision is about Rs 8,000 in excess of the actuals of 1929-30.

The specific economies suggested by us amount to over 05 lakh and we recommend that expenditure should be reduced by at least 05 lakh. We must however, make it clear that no reduction whatever should be made in the scales (qualitative and quantitative) of dieting, clothing and other facilities, amenities or concessions available to the prisoners. To the extent that a fall in prices enables any reduction to be made in the budget provision for jails, we have, of course, no objection to such reduction.

D Ecclesiastical—The total provision for Ecclesiastical is 16 lakh and has already been dealt with in Part II of our report.

E Medical—The 1931-32 provision is 1 22. The expenditure has grown as below—

1922-23	1924 25	1925 26	1926 27	1927 28	1928 29	1929 30	1930-31	1931 32
68	72	1 31	1 29	91	94	99	1 26	1 22

Medical staffs consist of (a) a Civil Surgeon, an Additional Civil Surgeon and two Assistant Surgeons, and (b) a clerical and inferior establishment of 12 and a medical establishment of 35. In the 1931-32 estimates there is, in addition, a further provision of 02 for the employment of establishments in connection with the medical and public health programmes. The Additional Civil Surgeon's appointment appears to have been created anew in 1926-27. The ministerial and inferior establishment which is 12 at present was only 7 in 1925-26. The medical establishment has grown by only one during these six years. The department has offered a reduction of 21. We do not, however, know the details. Presumably it is proposed to effect most of the saving under grants-in-aid for medical purposes, the expenditure on which was Rs 1,340 in 1929-30 against the estimates of Rs 26,200 and Rs 22,900 in 1930-31 and 1931-32, respectively. If any portion of the 1931-32 provision for grants-in-aid is for a non-recurring purpose, we have no objection to the departmental offer of the non-recurring portion being accepted. Otherwise in a beneficent department like Medical we cannot see our way to recommend the acceptance of the departmental offer, particularly under grants-in-aid. Some scope for retrenchment such as would not detract from the utility of the department to the public is, however, available and we proceed to indicate it below.

There is a provision of Rs 3,000 per annum for a duty allowance to the Civil Surgeon. Ajmer is not a very large city and instances can be quoted of Civil Surgeons of bigger stations and in charge of larger districts who get no duty allowance or special pay. If this duty allowance is the special pay to the Civil Surgeon for his duties as Chief Medical Officer, we recommend its abolition as we did in the case of Delhi, etc. We may here remark that even on our pro-

posals the Civil Surgeon would still continue to get a special pay of Rs 100 for the jail charge, Rs 100 fees from the Mayo College and Rs 100 charges recoverable from Tonk State. Opportunities for private practice available in this, the most important city and political centre in Rajputana, should by themselves suffice to attract competent members of the I M S to this post. We therefore urge that the duty allowance (or special pay) of Rs 250 should be abrogated, saving 03.

Even including the city of Ajmer the district has a small population and if one Civil Surgeon could carry on his duties up to 1925-26 without the assistance of an Additional Civil Surgeon*, the Additional Surgeon should not be needed.

Thus we unconditionally recommend an aggregate reduction of expenditure by 09 lakh. To this may be added 20 lakh which, we assume, is the provision of account of non-recurring grants-in-aid for medical purposes. The total reduction recommended by us thus works out to 29. But if our assumption is not correct, the reduction would be 09 lakh. In our summary of savings we shall assume the former figure.

F Public Health — The provision for Public Health is Rs 4,100, out of which all but Rs 600 is on account of the pay of a superintendent and vaccinators. We have therefore no recommendation to make.

G Agriculture — This sub-head includes the following minor heads —

- (a) Agriculture
- (b) Veterinary charges
- (c) Co-operative credit, and
- (d) Grants-in-aid

The major portion is on account of the Co-operative movement in charge of an Extra Assistant Commissioner. Although the department has offered a reduction of 04 lakh, we cannot see our way to recommend its acceptance, our reason being that it is a beneficent activity which should not be curtailed.

H Museum — A non-gazetted superintendent on Rs 150—200, a Curator and two servants are maintained in connection with the Museum. The 1931-32 provision also contains a new item, *viz*, a personal pay of Rs 50 per mensem to the Curator of the Rajputana Museum. The department has not offered any saving, we cannot suggest any either.

I Other Miscellaneous departments — The total provision of 08 is on account of a registration clerk, an allowance to an Electrical Inspector, fees to certifying surgeons and payment to the Punjab Government for the factory inspection staff. The only item where we consider reduction not only feasible but also desirable relates to the provision of Rs 3,400 for the travelling and other allowances of an Electrical Inspector. We understand that at present the Inspector who is in the service of Jaipur State goes all the way from Jaipur

* In the light of the recent appointment of a Sub Assistant Surgeon in replacement of an Assistant Surgeon, however, we do not press for the abolition of the Additional Civil Surgeon's post.

to Ajmer and occasionally to Abu and Nasirabad to do his inspections, this arrangement is obviously wasteful. In our opinion it should not be difficult to make arrangements for an officer from the local railway staff to take up this work at considerably less cost, possibly at one-half of it. The provision under this head might therefore be reduced by Rs 1,700.

J Famine Relief—The current provision of 1 31 automatically disappears and, as proposed by the department, this item should be deleted from the 1932-33 budget.

K Miscellaneous charges—The provision is Rs 15,000 contribution to the Ajmer District Board and Rs 2,600 for various miscellaneous items. The department has offered a reduction of 03 lakh. We recommend acceptance of this offer.

(7) *Summary of savings*.—On our proposals the total saving will be 1 71 lakhs plus an automatic saving of 1 31 provided for famine relief in the 1931-32 estimates, as follows—

<i>Account I—</i>	
Land Revenue	16
Excise	02
Stamps	<i>Nil</i>
Forests	38
Registration	<i>Nil</i>
<i>Account II—General Administration</i>	22
<i>Account III—Police</i>	50
<i>Account IV—Education</i>	<i>Nil</i>
<i>Account V—</i>	
Administration of Justice	04
B—Jail and C—Jail Manufacture	05
D—Ecclesiastical	<i>Nil</i>
E—Medical	29
F—Public Health	<i>Nil</i>
G—Agriculture	<i>Nil</i>
H—Museum	<i>Nil</i>
I—Other Miscellaneous Departments	02
J—Famine Relief	1 31
K—Miscellaneous charges	03
Total	<u>3 02</u>

(8) *Question of amalgamation*—We have confined ourselves strictly to retrenchment under the present constitution and administrative arrangements. In our questionnaire, however, we had raised the issue whether in the Foreign and Political Department's opinion it was feasible to amalgamate the administration of Ajmer-Merwara with that of either the United Provinces or of any other province. The fact that we ourselves have made no recommendation on this subject should not be interpreted to imply our approval of the present position. We are content to leave a comprehensive review to be undertaken in connection with the place to be assigned to the minor administrations in the new constitution for India.

CHAPTER VI

GRANT No 83 —RAJPUTANA

(1) *Introductory*—For the maintenance of political relations with the Rajputana States, the Government of India maintain under their own control an Agent to the Governor-General with headquarters at Mount Abu and Ajmer. The only areas in Rajputana under the direct administration of the Central Government are (i) the British Indian district (called “ province ”) of Ajmer-Merwara, of which the Agent to the Governor-General is the Chief Commissioner, (ii) the leased area on which stands the combined Civil Station and Cantonment of Mount Abu and (iii) railway lands, the policing of which is under the unified control of the Agent to the Governor-General-cum-Chief-Commissioner.

(2) *Historical*—The Marathas claimed and exercised some degree of political control over the various States in Rajputana from Ajmer, which was the headquarters of the Scindia’s representative. In 1817 arrangements were made with various Rajputana States in pursuance of the policy of “ subordinate alliance ”, whereby British protection and territorial integrity were guaranteed to those Indian States which undertook to subject their political and external relations to the control of the British Government. Among the first to accept such an alliance were Udaipur, Jaipur, Kotah, Bundi, Karauli, Banswara, Dungarpur and Kishengarh. The outlying states of Jaisalmer and Bikaner were not brought within the orbit of this system immediately. By the end of 1818, however, they too were included in the system. There are at present 18 States and 2 Chiefships in direct relations with the Government of India through the Agent to the Governor-General, Rajputana, and the Agents and Residents subordinate to him.

(3) *Organisation*—(i) Prior to 1922-23 there were seven Political Agencies and Residencies with the Agent to the Governor-General, Rajputana, at their head. In the interests of retrenchment one of these agencies had been abolished just before the Inchcape Committee’s report issued. At present there are the following subordinate Political Agencies and Residencies—

Designation	Headquarters.
Political Agent of Haraoti and Tonk . . .	Deoli.
Resident, Western Rajputana States . . .	Jodhpur
Resident at Jaipur	Jaipur.
Resident in Mewar and Political Agent, Southern Rajputana States	Udaipur
Political Agent, Eastern Rajputana States . . .	Bharatpur.

There are also two Assistancies, *viz* , Kherwara and Kotra.

The Agent to the Governor-General has a Secretary and an Under-Secretary to assist him, the Under-Secretary is also District Magistrate of Abu. The

following are the more important of the other appointments under the Agent to the Governor-General's control —

(*n*) (A) *Medical* —The Civil Surgeon of Ajmer is also Chief Medical Officer for Rajputana and gets the following allowances —

(a) A special pay of Rs 250 as Chief Medical Officer, Rajputana

(b) A special pay of Rs 150 as Superintendent of the Jail

(c) A special pay of Rs 100 for the visiting charge of the Jaipur Residency

(d) Rs 100 charges recoverable from the Tonk State

(e) Rs 100 fees from the Mayo College

It will be seen that the three special pays aggregating Rs 500 are a charge on central revenues

An Additional Civil Surgeon of Ajmer, who gets a special pay of Rs 50 for holding medical charge of the Government College, Ajmer

A Residency Surgeon for the Mewar Residency at Udaipur, who too gets various special pays and allowances aggregating Rs 450

(B) An Inspector-General of Railway Police, Rajputana, who also works as Police Assistant to the Agent to the Governor General and as Director of the Opium Contraband Department, Rajputana and Central India. He gets pay on the usual Deputy Inspector-General's scale

There are also a Superintendent and Deputy Superintendent of Government Railway Police, the former at Ajmer and the latter at Indore. The former gets a special pay of Rs 150 and the latter a special pay of Rs 75

(C) A Judicial Commissioner for Ajmer-Merwara. The whole of his pay (Rs 3,000 *plus* Overseas Pay) is, however, debited to the estimates of the Western India States Agency

(D) A number of miscellaneous appointments

(4) *Expenditure* —(*i*) *Explanation* —Apart from charges connected with the political relations with the Rajputana States and with the maintenance of the Mina Corps, the more important heads of expenditure included in the budget of this Agency are (*i*) Irrigation, (*ii*) Police and (*iii*) Civil Works. Irrigation and Civil Works provisions are shown under the respective "subject" grants. The expenditure on Irrigation in fact relates to Ajmer-Merwara and consists of charges for the maintenance, repair, etc., of tanks in that district. As regards Civil Works, the Rajputana Circle of the Public Works Department executes works in Ajmer-Merwara as well and the combined expenditure of the two areas is shown under Rajputana. The bulk of the Police expenditure is incurred on account of the Railway Police and the force maintained at Mount Abu

(ii) *Growth* —The following table shows how expenditure on the Rajputana Agency has grown —

	1924- 25	1925- 26	1926- 27	1927- 28	1928- 29	1929- 30	1930- 31	1931- 32
Land Revenue	05	05	06	05	05	06	06	06
Excise	01	01	19	54	60	56	66	•67
Irrigation	1 99	1 87	1 91	1 95	1 87	2 09	2 14	2•09
Administration of Justice	24	20	18	21	19	21	20	21
Police	3 70	3 85	3 78	3 73	3 87	4 01	3 94	3 92
Education	83	83	82	85	88	97	95	•97
Medical	04	07	05	18	07	08	05	•08
Public Health		10		01	01	01		•03
Civil Works	5 98	4 95	6 38	7 21	8 55	7 92	8 28	6 20
Famine Relief				01		..		..
Stationery and Printing	01	01	01	01	01	01	•01	•01
Miscellaneous Charges	51	53	50	51	51	52	•52	•52
Total "Provincial" Subjects	13 36	12 47	13 88	15 26	16 61	16 44	16 81	14 76
Ecclesiastical	03	03	03	02	02	02	02	02
Political	6 58	6 25	6 60	6 86	6 69	6 76	6 65	6 90
Total "Central" Subjects	6 61	6 28	6 63	6 88	6 71	6 78	6 67	6 92
GRAND TOTAL	19 97	18 75	20 51	22 14	23 32	23 22	23 48	21 68*

* If expenditure on Census (64) and Refunds (1 13) be added, the total expenditure amounts to 23 46 lakhs (Difference is due to rounding)

It will be seen that of the total real expenditure of 21 68 lakhs 'Police' accounts for a little under 4 lakhs, 'Political' a little under 7 lakhs and 'Civil Works' and 'Irrigation' between them for 8 29 lakhs

(5) *Inchcape proposals* —At the time the Inchcape Committee reported the budget provision for Rajputana was 6 76 lakhs, *viz*, 2 26 lakhs for the headquarters and 4 50 for the subordinate agencies. Of the seven Residencies and Agencies one had already been abolished (saving 53) and the Department had proposed further economies aggregating 38 lakh

As regards Police expenditure that Committee observed that a saving of 18 had been effected or proposed by the Department and it made the following recommendations —

- (i) If the contribution of 15 by the Durbars concerned towards the cost of investigation carried on by the Rajputana Agency police was, as suggested, to be remitted, the total expenditure too should be reduced and in the alternative the amount of the contribution which had been fixed in 1911 should be raised

(ii) The arrangement whereby the Rajputana-Malwa Railway (now the Bombay, Baroda and Central India Railway, Metre Gauge) contributed 1 52 lakhs towards the cost (*viz*, 2 18 lakhs) of the Rajputana police on account of the "Watch and Ward" duty performed for the Railway by that police should be revised and a proper share of the cost of the service rendered should be recovered

(iii) The post of Inspector-General and his separate establishment could be abolished without serious inconvenience, (saving at least 50) and further economies effected in the expenditure on 'Supplies' and 'Contingencies'

For 1923-24 that Committee recommended a provision of 3 lakhs gross, adding that this was the actual expenditure in 1920-21. If the Railway contribution of 1 52 towards the cost of the police be deducted, the net provision recommended would correspond to a little under 1 50 lakhs for the entire police force under the control of the Agent to the Governor-General including the railway police but excluding the police in the British-Indian district of Ajmer-Merwara

(6) *Departmental offer* —The Department informally offered the following reduction of expenditure under the various heads —

	Budget 1931-32 (in lakhs)	Reduction (in lakhs)
Land Revenue	0 06	
Excise	0 67	0 47
Justice	0 21	0 03
Police	3 92	0 24
Ecclesiastical	0 02	
Political	6 91	0 74
Education	0 97	0 08
Medical	0 08	
Public Health	0 03	
Miscellaneous Departments . . . . .	.	.
Miscellaneous	0 52	0 01
Details not available		0 18
Total	13 39	1 75 = a little over 13%

The proposed reduction when distributed under various heads would work out as follows —

Pay of officers	0 76
Pay of establishments	0 48
Allowances	0 19
Other charges	0 32
	<hr/> 1 75

(7) *Our proposals* —We shall make our proposals under the various sub-heads of expenditure

ACCOUNT I —POLICE,

(i) The expenditure on this service has grown from 3 70 in 1924-25 to 3 92 in 1931-32. The growth has taken place in spite of the fact that the Rajputana police has, we presume, been relieved of watch and ward duty in respect of the Bombay, Baroda and Central India Railway. So far as we can ascertain, this function is now performed direct by the Railway through a special staff under its own control, and the Railway's contribution of 1·52 has now ceased. We observe that the 1931-32 estimate for receipts under this sub-head is 58, it is so low that we conclude that it does not include any contribution by the Railway towards the gross cost of the police. Besides, we observe that the strength of the force in 1922-23 was a Superintendent and an Assistant Superintendent (the post was actually held by a Deputy Superintendent) and 550 police ranks, we find that the 1931-32 estimates also provide for the same two officers and for a force of a little over 500. These facts go to show that while the Railway contribution towards the cost of the Railway police, which was well over 50 per cent of the total cost, has disappeared, *relief in the shape of a reduction of the strength of the force does not exceed 9 per cent*. We are therefore forced to the conclusion that although the Inchcape Committee had made its proposal with a view to relieving the central taxpayer's burden, the burden has actually increased. In essence it means that as against an expenditure of 3 70 *minus* 1 52 lakhs in 1924-25 and against about 1½ lakhs contemplated by the Inchcape Committee the estimated expenditure in 1931-32 is 3 92 lakhs. On the assumption that the facts stated above are correct we recommend a reduction of 75 lakh in the police expenditure in addition to the reduction of 75 lakh on account of the specific proposals made below.

(ii) Like the Inchcape Committee we too hold that for a small area like Rajputana the expensive post of an Inspector-General of Police and his establishment are not necessary. We recommend their immediate abolition. The resultant saving should be about 64 lakh.

(iii) The Department has offered a saving of 24 under the head 'Police'. We have not been supplied with details, but we assume that a part of the saving offered was intended to be effected under other Police heads, *e g*, the police at Abu, the Criminal Investigation Section, etc. We have already disposed of the two main sub-heads, but we consider that some reduction, say, 11 at least should be possible in the remaining sub-heads.

We may add that even after giving effect to our proposals, the 'Police' budget will be reduced to 2 42 lakhs. Even this budget will be 60 per cent higher than the *net* budget (*i e*, *minus* the Railway contribution) recommended by the Inchcape Committee.

ACCOUNT II —POLITICAL

The 1931-32 provision is 6 91 lakhs. The Department has offered a reduction of 74 lakh under this sub-head. We understand that the maintenance of the Mina Corps does not involve any net charge on the central revenues, and we presume that the department's offer does not include any reduction, effected or proposed, of the expenditure on the Mina Corps (*vide* C. page 95). In the absence of details of the departmental offer, we can only

suggest a few broad lines along which, *inter alia*, expenditure under A—Political Agents (5 '17 lakhs), B—2—Other charges (10 lakh) and C—Entertainment charges (Rs 100) could and should be reduced by at least one lakh. Our specific suggestions will yield about 1 '20 on the first two items as follows —

(A) *Headquarters of the Agency* —(i) The Agent to the Governor-General has a Secretary, an Under-Secretary and a Personal Assistant. We consider that a Secretary and an Under Secretary should be sufficient. It should not be difficult for the Agent to the Governor-General to get a competent clerk or stenographer from his regular office establishment to work as a part-time Personal Assistant.

(ii) The 1931-32 budget estimates contain a provision of 08 for a Financial Assistant (pay Rs 300—800). We observe that in the somewhat analogous cases of the Central India Agency and the Western India States Agency there is no such post in existence even now. The total "area" budget of this Agency is only 13 '39 lakhs, the budget is not big enough to justify an expensive post of Financial Assistant. We recommend that this appointment should be abolished.

(iii) The special pay of Rs 250 to the Civil Surgeon for his duty as Chief Medical Officer should, for reasons which we have explained in the case of Delhi, North-West Frontier Province, Central India and the Western India States Agency, be abolished.

(iv) We observe that an allowance of Rs 100 per mensem is paid to an officer of the Royal Army Medical Corps for civil medical duty. Considering that Ajmer-Merwara has two Civil Surgeons (one of these posts being a recent creation) and that Mount Abu is a sanatorium, we see no adequate justification for this allowance. The provision should be deleted in the future budgets.

(v) Even so late as 1930-31 there were in all 60 ministerial and inferior establishment posts, there are 64 now. We cannot satisfy ourselves why establishment should have been allowed to grow in this manner. We presume, however, that the department has taken this factor into consideration in arriving at the savings offered and we therefore refrain from making a specific recommendation in this respect.

(vi) There are numerous other minor heads of expenditure where we think reduction of expenditure is feasible. In their case also we refrain from making specific recommendations and prefer to include the possible savings in the block cut of one lakh proposed by us.

(vii) Finally, we should like to observe that before the Inchcape Committee reported, the cost of the headquarters portion of the Rajputana Agency was 2 '26 lakhs, it has now gone up to 2 '49 lakhs. Apart from the additional expenditure necessitated by the accrual of annual increments, we can see little reason for the growth of expenditure in an agency where, so far as we can see, work has not increased appreciably in volume or complexity. Unlike some other agencies, *e.g.*, the Western India States Agency, political conditions in Rajputana appear to be, broadly speaking, the same as they were a decade ago. The specific proposals made by us above will enable it to be reduced by approximately '14. If reduction of expenditure under Establishment charges and

other minor heads, be also taken into consideration, we think it will be possible to work to the figure recommended or accepted by the Inchcape Committee.

(B) *Subordinate Political Agencies*—Our specific proposals under this head are —

(2) Although there are only five Political Agencies now as against six in existence at the time of the Inchcape Committee's report, we consider the number excessive especially when the State of Bikaner is, we understand, now in direct relations with the Agent to the Governor-General. We may institute a comparison with the Western India States Agency. That Agency deals with a very large number of States and Estates. Owing to the peculiar political conditions prevailing at the time of Colonel Walker's settlement with the Kathiawar States, the Western India States Agency has certain special functions to perform of which there is no counter-part in the Rajputana Agency. The exercise of "residuary jurisdiction" is an important illustration of such special functions. Again, owing to the greater progress of the States under the political control of the Western India States Agency, various problems, political and other, arising in that Agency are much more complex than those which arise in the case of the Rajputana States. Thus, questions connected with the Railway system of Kathiawar and problems arising out of treaties and engagements relating to Customs and Salt revenues are almost unknown in Rajputana. Nevertheless the Western India States Agency has only three subordinate political agencies (prior to 1924 there were as many as six) and none of the 17 "salute" states comprised in that Agency deals with the Political Agents as intermediate links. We note that the Rajputana States are "salute" states, and on the analogy of Western India should be in a position to deal direct with the Agent to the Governor General. Hence, apart from the fact that communications in Rajputana are less developed than in Kathiawar, there is, *prima facie*, little reason why Rajputana should have more than three subordinate political agencies. Owing to the rapid development of communications, particularly motor transport, and the recent trend of political developments, we consider that there is no longer the same necessity as there was a decade ago for the maintenance of a large number of subordinate political agencies. Further, we think that Assistancies can, if necessary, be created to take the place of the present full-fledged political agencies. On these grounds we recommend that the feasibility of reducing the number to three should be considered.

We have not got the necessary information to enable us to evolve a cut and dried scheme. But tentatively we may suggest that the Eastern Rajputana States Agency might be absorbed in the Jaipur Residency and the Haroti and Tonk Agency might be absorbed in or attached to the Udaipur Residency as an Assistancy of the "residential" type. Some redistribution of jurisdictions would perhaps be necessary.

(22) We observe that the Mewar Residency is unique in having a Residency Surgeon attached to it. In our opinion this arrangement is an anachronism. This post should therefore be abolished, saying, 13. In fact, we believe that this question is already under the department's consideration.

(iii) We observe that there are provisions of Rs. 100 per mensem each for allowances for medical visiting or inspecting charge in the budgets of the Jaipur Residency, Jodhpur Residency and the Eastern Rajputana States Agency. Except in so far as the services of officers not serving under the Central Government are utilised, we consider that such visiting or inspecting duty should be regarded as part of the regular duties of the officers concerned and we recommend that these allowances should be abolished.

(iv) As regards savings likely to result from our recommendations or suggestions, we presume that the abolition of one Political Agency will result in a reduction of expenditure by 50 (the 1931-32 provision for the Agency whose abolition we have tentatively suggested is Rs. 54,000) and that the conversion of another Agency into an Assistancy will yield an additional 25 (approximately). To these may be added 13 on the abolition of the post of Residency Surgeon, Mewar. Thus we assume that there would be a saving of approximately 88 from our proposals relating to the subordinate political agencies.

(c) *Mina Corps*—A question was raised whether the Mina Corps still continues to serve the purpose for which it was originally raised and whether any change of policy in this respect is needed. Some of us are sceptical as to the utility of this Corps in the conditions obtaining to-day, and we may draw attention to what we have stated in Chapter XXII, especially in regard to the Mewar Bhil Corps. We have, however, been given to understand that the maintenance of this Corps does not in any way affect central revenues. On this presumption we refrain from making any recommendation, with a view to effecting economy in its maintenance.

ACCOUNT III—OTHER EXPENDITURE

(i) The following provisions are small and we do not consider it necessary to examine them in detail for ourselves —

A—Land Revenue	06
F—Medical	08
G—Public Health	03
H—Miscellaneous Departments	Rs 400

(ii) The bulk of the expenditure under I—Miscellaneous (52) represents compensations to Kishengarh and Sirohi States, here also we refrain from detailed examination. We shall therefore confine our scrutiny to 'Excise', 'Administration of Justice' and 'Education'.

(iii) *Excise*—As regards 'Excise' the department has offered 34 out of a total provision of 665. We consider the offer adequate and recommend its acceptance. We presume that the department's idea is to curtail the activities of the Excise Bureau.

(iv) *Administration of Justice*—As regards 'Administration of Justice', the provision is 21 and the department has offered a saving of 03. Considering that the provision is for a Railway Magistrate (Rs. 300—800) and three servants attached to the Railway Magistrate and for an establishment of four (*viz.*, a Judicial Moharir and three process servers) attached to the court of the District Magistrate of Abu and for certain other incidental charges, we hold the departmental offer adequate and recommend its acceptance.

(v) *Ecclesiastical* — This has already been dealt with by us in Part II of our Report.

(vi) *Education* — The total provision for 'Education' is Rs 97,200, the two biggest items being Rs 53,400 for grants to non-Government arts colleges (including presumably the large grants to Mayo College) and Rs 40,400 for grants-in-aid to non-Government secondary and primary schools

The department has offered a saving of .08 As we are averse to recommending reduction of any grant for educational purposes we will be prepared to accept the proposal of the department only to the extent to which it covers the grant to the Mayo College which in our opinion should be maintained by the Chiefs for whom it is almost exclusively intended In this connection we invite attention to our remarks* regarding the grant-in-aid to the Daly College at Indore

We assume that the provision in the central estimates for the post of "Indian Leave Reserve Master" will no longer be needed owing to the re-organisation of the Mayo College. The Government of India are not now concerned with the pay, leave and pension contributions or with the retention or otherwise of the post The provision for this item is Rs 2,200

We assume that the total saving from our proposals will be about .55

(8) *Summary of savings* — On our proposals we expect a total saving of 3.42 lakhs as below —

Account I —Police	.	..	1	50
Account II —Political			1	00
Account III —Other Expenditure heads —				
Excise			34	
Administration of Justice			03	
Education			55	
			92	92
Total			.	3 42

* Chapter VII, paragraph L.XI, page 114

CHAPTER VII

GRANT NO 84—CENTRAL INDIA

(1) *Introductory*—The agency through which political relations are maintained with the Indian States in the territories known as Bundelkhand, Baghelkhand and Malwa is the Central India Agency with Indore as headquarters. The Agent to the Governor General is one of the nine first class Residents. Until recently he had four subordinate political agencies under his control, viz, (i) Bundelkhand, (ii) Baghelkhand, (iii) Bhopal and (iv) Southern States of Central India and in Malwa. Recently as a measure of retrenchment one agency has been brought under reduction. Of the 28 “salute” and 68 “non-salute” Indian States in political relations with the Government of India through this agency the most important are Indore and Bhopal. Some of the States are mere estates or jagirs. The Agents have to exercise “residuary jurisdiction” on behalf of certain small States, in this respect the position is analogous to that in Kathiawar, Orissa, the Central Provinces, etc.

The area and population of each of the four Agencies are as follows —

	Area in square miles (round figures)	Population (1931 Census)
(a) Bundelkhand	10,100	1,289,015
(b) Baghelkhand	14,700	1,839,256
(c) Bhopal	9,100	1,051,976
(d) Southern States and Malwa	8,200	1,116,636
Total	42,100	5,296,883

Central India is also one of the minor administrations and comprises a number of “administered areas” of the usual type, i.e., civil stations, cantonments and railway lands. Besides, it comprises two British-Indian enclaves, Panth Piploda and the Pargana of Manpur, the latter comprises 30 villages and has an area of 49 square miles. Its population is 6,852 and revenue is Rs 38,700. We may also add that the cantonment of Sehore was returned to Bhopal State a few years ago and the Residency bazaars at Indore were conditioned to Indore State on 1st August 1931.

(2) *Organisation*—The 1931-32 estimates contain provisions for the following staff —

A—Headquarters

An Agent to the Governor General, a Personal Assistant (on a pay of Rs 150), a Secretary, an Under Secretary, a Treasury Officer on Rs 450—550 (who was also the *de facto* financial adviser to the Agent to the Governor General), an Attaché on Rs 300—450, a Surgeon (who also holds visiting charge of the Southern States Agency and medical charge of the Malwa Agency) and an Assistant Surgeon. There is also a provision of Rs 4,200 for the part-time services of a District and Sessions Judge from one of the districts of the Central Provinces.

The following special pays and allowances are drawn by some of the above-mentioned officers —

- (i) The Agent to the Governor General gets a sumptuary allowance of Rs 250 per mensem.

(2) His Secretary used to get a charge allowance of Rs 200, but this allowance appears to have been abolished recently

(22) The allowances payable to the Chief Medical Officer, (Residency Surgeon) are—

(a) Rs 250 special pay as Chief Medical Officer

(b) Rs 100 special pay for visiting medical charge of the Southern States Agency

(c) Rs 50 special pay for the supervision of the medical and sanitary arrangements of the Malwa Bhil Corps.

(d) Rs 100 allowance from the Southern States Dispensary Fund

(e) Rs 250 as Superintendent, King Edward Hospital, Indore

(f) Rs 150 as Superintendent, King Edward Hospital Medical School, Indore

(g) Rs 100 supervision of the medical and sanitary arrangements of the Daly College

(h) Rs 100 supervision of the Dhar State Medical Department

(i) Rs 25 supervision of Rutlam State Dispensary

(j) Rs 16-10-8 supervision of Jaora State Dispensary

Total Rs 1,141-10-8. His substantive pay is Rs 1,500 p.m. plus overseas pay £ 30 p.m.

The Assistant Surgeon is in charge of the Central India Agency jail and his special pays and allowances aggregating Rs 175 per mensem consist of the following items—

Rs 50 for his work as Assistant Residency Surgeon

Rs 50 for work as Personal Assistant to the Chief Medical Officer

Rs 75 for holding charge of the Jail

The headquarters establishments for which provision exists in the 1931-32 estimates consist of 34 ministerial (of which 13 are for treasury work and 21 for work in the Agency office) and 29 inferior appointments, in addition to a jail establishment of 35 costing in all 16 lakhs

B -- Political Agencies

(1) Southern States Agency (headquarters Manpur) is in charge of certain Central Indian and also of the Malwa States for which there was a separate Agency till 1925. The temporary post of an Assistant Political Agent which was in existence since March 1929 has recently been abolished and replaced by that of an officer on special duty in Central India. The Residency Surgeon, Indore, holds "visiting" charge of the "Southern States" portion, and "medical" charge of the Malwa portion, of the Agency. The establishments consist of 14 clerks, 8 servants, 2 jail and 2 police.

(2) Bundelkhand (headquarters Nowgong) and Baghelkhand (headquarters Sitna) Agencies used to have separate political agents. But they have recently been amalgamated into one agency. The budget for the Bundelkhand Agency also contains a provision for a combined Treasury and Judicial Officer on Rs 450—600 and a Surgeon on the usual scale of pay. The Political Agent, Bundelkhand, used to get a charge allowance of Rs 300 per mensem, but this appears to have been abolished recently. The Surgeon attached

to this Agency gets the following special pays and allowances —

(a) Special pay of Rs 100 for additional duties caused by the abolition of the appointment of Agency Surgeon, Baghelkhand

(b) Rs 25 special pay (The amount used to be Rs 50 p.m.)

(c) Rs 300 compensatory allowance recoverable from Indian States.

(d) Rs 100 allowance for supervision of the Orchha State Medical Department

Total Rs 525

Establishments consist of 15 ministerial and 14 inferior for Bundelkhand, and 10 ministerial and 8 inferior for Baghelkhand, i.e., 25 ministerial and 22 inferior for the two. We do not know the strengths under the amalgamation scheme recently introduced. But, we understand that the agency office at Sutna has been maintained more or less intact.

(iii) Bhopal Agency is in charge of a Political Agent and has a Surgeon (on Rs 950—1,250) attached to it. The Political Agent gets a sumptuary allowance of Rs 100 per mensem. The Surgeon's special pays and allowances are as below —

(a) Rs 400 for supervision of sanitation and medical work in Bhopal State.

(b) Rs 60 for holding charge of eight dispensaries paid for by certain States in the Bhopal Agency.

There are 11 ministerial and 14 inferior appointments for this Agency.

Other Staff at Headquarters or in the Agencies.

In addition to the staff mentioned above the following officers are also maintained in connection with the Central India Agency —

(i) Police — A Superintendent and two Deputy Superintendents of Police (one of whom gets a compensatory allowance of Rs 100). The Superintendent also works as Assistant to the Agent to the Governor General in the Criminal Branch and gets a compensatory allowance of Rs 100.

(ii) Judicial — One Judicial Officer at Mhow, one at Neemuch, one at Sutna and one at Nowgong. The Judicial Officers at Sutna and Nowgong also work as Indian Assistants to the "Political Agent in Bundelkhand and Baghelkhand" at Sutna and Nowgong respectively.

(iii) Miscellaneous. — (a) An Excise and Opium Commissioner in Central India who also works as Adviser on Excise and Opium in Rajputana. He gets pay on the superior time-scale for the Indian Civil Service plus a special pay of Rs 300. The post dates from 1907 and has always been, as it still is, maintained on a temporary basis.

(b) Allowances are paid to the Executive Officers of Mhow, Nowgong and Neemuch cantonments for the performance of excise duties in their respective cantonments (the amounts being Rs 60, 40 and 30 per mensem respectively).

(c) Registrar, Central India Agency, and Treasury Officer, Indore,

The holder of this post is at present on leave and the Under-Secretary to the Agent to the Governor General is carrying on the duties of the Treasury Officer in addition to his own duties

(s) Census Superintendent for India who gets a special pay of Rs 200. This post is, of course, temporary

D—Manpur Pargana

A subordinate executive establishment of 40 (including 28 village headmen called patels) and an inferior establishment of 19 (including 13 village police—chowkidars) are maintained for this pargana of 30 villages

(3) *Expenditure and Revenue and their growth*—Table (A) shows the progress of expenditure and has been prepared on the lines of Mr Juke's Review Table (B) shows Receipts In view of the importance of Political expenditure its progress has been set forth in a special Table (C) A table showing the growth of the numbers of officers, clerks and inferior servants maintained from the Political grant is given in paragraph (6) (xiii)

TABLE A

	1913- 1914	1922- 1923	1924- 1925	1925- 1926	1926- 1927	1927- 1928	1928- 1929	1929- 1930	1930- 1931	1931- 1932
Land Revenue		52	27	27	28	28	28	28	28	28
Excise	57	1 10	1 05	1 01	86	97	94	98	75	85
Stamps	01	01	01	02	02	02	02	02	02	02
Forest		11	12	12	11	10	11	12	12	13
Registration		02	01	02	01	02	02	01	01	01
General Administration	04	10	10	12	09	10	11	13	12	12
Administration of Justice		09	42	51	56	54	56	56	54	56
Jails		04	04	0 3	0 2	02	03	02	02	02
Police	1 55	2 82	2 39	2 31	2 27	2 20	2 28	2 20	2 10	2 11
Education	68	1 07	1 02	1 01	1 01	1 70	1 24	1 28	1 27	1 21
Medical	1 32	54	61	53	56	86	62	59	51	52
Public Health				01		01			37	37
Agriculture				01						06
Miscellaneous										
Departments		01	01			01			01	01
Civil Works	6 46	*	5 51	5 82	5 82	6 29	6 24	6 36	6 84	6 60
Pensions	40	83	93	1 42	1 37	1 30	1 15	1 14	1 20	1 18
Stationery and Printing	06	09	02	02	02	02	02	02	02	02
Miscellaneous	59	52	49	61	49	48	47	26	27	26
Total "Provincial" Subjects	†	7 87	13 00	13 84	13 49	14 92	14 09	13 97	14 45	14 33
Opium	08	11	08	05	05					
Ecclesiastical		30	38	28	32	31	31	27	26	27
Political	3 63	5 81	5 77	5 27	5 07	5 31	5 24	5 75	6 19	6 10
Currency	01	04	09	05	06	06	06	05	06	06
Territorial and Political Pensions	37	51	33	36	32	31	44	20	30	32
Total "Central" Subjects		6 77	6 65	6 01	5 82	5 99	6 05	6 36	6 81	6 75
Grand total for the "area"	†	14 64	19 65	19 85	19 31	20 91	20 14	20 33	21 26	21 08

*Figures not available

†Real totals cannot be given.

TABLE B—RECEIPTS

	1922- 1923	1924- 1925	1925- 1926	1926- 1927	1927- 1928	1928- 1929	1929- 1930	1930- 1931	1931- 1932
Land Revenue	18	19	17	17	17	18	17	18	18
Excise	4 62	4 40	3 98	3 69	3 49	3 59	3 40	3 18	3 16
Stamps	49	64	66	70	69	72	65	67	67
Forests	26	30	31	27	23	28	31	26	26
Registration	03	03	03	03	03	02	03	02	02
Administration of Justice	01	05	05	05	13	09	06	07	08
Jails and Convict Settlements	03	10	10	09	06	06	09	33	26
Police	04	01	03	10	18	02	14	01	01
Education			01						
Miscellaneous Departments								13	12
Civil Works	*	63	60	73	69	1 18	75	67	75
Superannuation Allowances and Pensions	28	39	38	44	37	36	30	15	19
Stationery and Printing	03	02	01	01	01	01	01	01	01
Miscellaneous Charges	04	03	14	09	12	15	36	16	14
Total 'Provincial' Subjects	6 01	6 79	6 47	6 37	6 17	6 66	6 27	5 84	5 85
Taxes on Income	74	54	45	39	44	52	49	49	50
Currency	01	01	02	01	01	01			
Tributes	5 14	4 07	5 80	4 74	4 78	4 54	4 33	5 68	4 80
Total 'Central' Subjects	5 89	4 62	6 27	5 14	5 23	5 07	4 82	6 17	5 30
Grand Total	11 90	11 41	12 74	11 51	11 40	11 73	11 09	12 01	11 15

TABLE C—POLITICAL

	1913- 1914	1922- 1923	1924- 1925	1925- 1926	1926- 1927	1927- 1928	1928- 1929	1929- 1930	1930- 1931	1931- 1932
<i>A—Political Agents—</i>										
Pay of officers	3 23				2 50	2 63	2 47	2 55	2 66	2 82
Pay of establishment	1 32				1 35	1 37	1 42	1 46	1 53	1 64
Allowances, etc	58				47	46	57	61	43	47
Supplies and Services	09				09	17	12	13	38	07
Contingencies	71	5 77	5 27		69	71	62	71	88	79
Grants-in aid	01				01	01	03	04	06	06
<i>B.—Miscellaneous—</i>							01	24	24	24
Deduct—Recoveries	— 13				— 04	— 04				
Entertainments charges										01
Total	3 63	5 81	5 77	5 27	5 07	5 31	5 24	5 74	6 18	6 10

Analysis—We may now explain some of the important reasons for the growth of expenditure and the variations of receipts

(1) *Excise*—Part of the fall in the expenditure was a true saving due to a revised agreement under which the compensation payable to Indore Durbar was reduced by nearly 10

(ii) *General Administration*—Increased expenditure was caused by the appointment of a Tahsildar in place of a Head Qanungo

(iii) *Administration of Justice*—Increase was due to the appointment of special judicial officers to take over work from Cantonment Magistrates. The transfer took place in 1924-25, but its full financial effect was not felt until the following year.

(iv) *Education*—Increase due to the five-year programme

(v) *Miscellaneous*—The apparent decline is only nominal and is due to the transfer to "Political" of the payment made to Indore State on account of the Partabgarh tribute

(vi) *Political*—Compared with 1925-26, expenditure has grown by .83. To a certain extent it is obscured by accounting changes, e.g., transfer to the head "Political" from the head "Miscellaneous" Passage and other concessions, accrual of annual increments and creation of certain new posts account for the increase. The appointment of a part-time District and Sessions Judge contributed to the growth of over .04 in the expenditure in 1931-32.

As regards revenue we need only state that Excise revenue has gone down considerably, partly because of the rendition of Sehore and recently of the Indore Residency Bazaars.

(4) *Inchcape Proposals*—The Inchcape Committee ascertained that Expenditure and Receipts had grown as shown by the following two tables. The savings proposed by it have also been shown in the first table.

Expenditure with Head of Account	1913-14	1921-22	1922-23	Savings proposed
	Rs	Rs	Rs	Rs
Excise	1 55	1 06	1 31	
Police	1 46	2 22	1 56*	44*
Political	3 63	5 98	5 88	21
Medical	1 32	57	61	
Education	68	85	83	
Civil Works	6 46	8 91	9 00	
Other heads	1 79	2 95	2 83	99
Total	15 89	22 54	22 02	74

*The estimated expenditure on Police for 1922-23 took into account a deduction of .39 to meet the cut made by the Assembly. The actual expenditure was, however, estimated at 2.44 and the Inchcape Committee proposed to reduce this figure in 1923-24 to 2.00. Thus, the total savings proposed by the Committee amounted to 74.

Receipts	7 28	11 86	11 75
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It observed that as a result of action taken by the Department itself the budget estimate for 1922-23 was 53 less than the revised estimate for 1921-22. All the same it recommended reductions amounting to 30 and in fact, as explained above, 74, and added that a further local enquiry into the expenditure including Civil Works was very desirable. One of its concrete proposals was that the question whether it was necessary to maintain the then existing number of agencies should be examined. As a result the Malwa Agency was absorbed into the Southern States Agency. Of its other proposals we shall take note while formulating our own.

(5) *Departmental proposals*—The department informally intimated to us that it was prepared to agree provisionally to a total reduction of 3 23 lakhs as suggested by the local administration. It also undertook to supply, at a later date, details showing the more important items of the proposed retrenchment and allocation of the savings under different major heads and units. The detailed scheme reproduced below represents retrenchments actually carried out in the budget estimates for 1932-33.

In lakhs—

*Under Account I—**Land Revenue*

002

Excise—

Reduction due to the rendition of the Indore
Residency Bazaars and less compensation
payable to the Indore Durbar

046

Reduction in ministerial charges

012

068

092

Reduction in allowances, etc

010

Stamps

004

Forest—

Reduction on allowances, etc

013

Registration

005

*Under Account II—**Police—*

Reduction in Police Forces

201

Reduction in ministerial charges

016

321

321

Reduction in allowances, etc

104

*Under Account III—**Political—*

Amalgamation of the Bundelkhand and Baghel-

khand Agencies

368

Reduction due to the abolition of three posts of Assistant
Political Agent, Manpur, Attaché and Registrar, Indore
Residency

186

Reduction in ministerial charges

068

Reduction in allowances, etc

075

Lump cut on account of retrenchment under considera-

440

*Under Account VI—**General Administration*

003

Justice—

Reduction due to the rendition of the Residency Bazaars

089

Reduction in ministerial charges

013

Reduction in allowances, etc

012

Jails

004

Ecclesiastical

005

Education—

Reduction due to the rendition of the Residency Bazaars

039

Reduction in the Daly College grant

030

Abolition of the post of Inspector of Primary Schools

020

Medical—

Reduction in contingencies, etc

015

Public Health—

Reduction due to the rendition of the Residency Bazaars

370

Reduction under contingencies

002

Agriculture—

Abandonment of agricultural development of Manpur
Pargana

057

Miscellaneous—

Reduction due to the rendition of the Residency Bazaars

194

Other reductions

003

2,406

lakhs

Actual reduction effected is thus nearly 65 lakh short of the provisional offer. Presumably further retrenchment is still under consideration.

(6) *Our proposals* —As usual we shall deal with each Account separately

Account I —Direct Demands on the Revenues.

(i) *Land Revenue* —The provision of Rs 27,800 is for the payment of compensations. The department has effected a reduction of Rs 200. We can suggest no more.

(ii) *Excise* —Excise expenditure aggregates Rs 84,800 including Rs 22,200 for the payment of compensations and Rs 10,000 for the purchase of opium. The district executive appointments include the post of Excise Commissioner who gets pay on the superior I C S time-scale *plus* a special pay of Rs 300 per mensem. Allowances to executive officers aggregate Rs 1,600. Including a provision of Rs 6,600 for temporary establishment the total provision on account of the pay of establishments proper is Rs 21,500.

The department has offered to reduce the expenditure by Rs 6,800. We note that a good deal of this is automatic saving consequent upon the rendition of the Indore Residency Bazaars. We consider the offer inadequate and proceed to make our own proposals.

In the light of the progressive decline of the importance of opium revenue since the adoption of the policy* of bringing the exports of "provision opium" to an end by 1935, we are doubtful if it is necessary to retain the post of a special "Excise and Opium Commissioner for Central India and Adviser on Opium and Excise Affairs in Rajputana". The rendition of Sehore and of the Indore Residency Bazaars must have reduced his direct administrative work. Further, we observe that no other Agency has such an expensive post even though somewhat complex excise problems have to be faced in, e.g., the Western India States Agency. So far as we can judge, his duties mainly relate to opium questions in Malwa, Rajputana and Central India and his work as Excise Commissioner is not appreciably heavier than that of the chief excise officer in other corresponding agencies. Though the post dates from 1907, it has always been, and still purports to be, temporary. We suggest that the entire position should be reviewed in the light of the altered circumstances. For the present we are inclined to hold that one of the headquarters staff should now be able to look after such work as still remains, enabling this post to be abolished. Saving will be 21 on pay and special pay and also about 05 on overseas pay.

Even if the post is retained, we must urge that a suitable share, not less than one-half, of the cost of this officer and his office should be charged to the grant relating to "opium". Opium accounts are now maintained on commercial lines and for the sake of a true picture of the real aggregate expenditure on Opium, we consider that it is necessary to charge Opium with a due share of expenditure incurred in the interests of the Government of India's opium revenue and policy. We may here refer to the fact that the Opium grant is being† charged with half the cost of the Income-tax, Commissioner,

* *Vide Part II of our Report [Chapter IV, paragraph (2), page 45]*

† A full-time Opium Agent is however in contemplation in connection with the 1931-32 retrenchment campaign.

U P *cum* Opium Agent Holding as we do that this office is maintained principally to look after opium questions, we see no reason why the whole expenditure should be charged to "Central India".

In any case we think the justification for a special pay at Rs 300 is no longer what it used to be even seven years ago We propose its abolition

The Executive Officers of the Mhow, Nowgong and Neemuch cantonments are paid Rs 60, Rs 40 and Rs. 30 p m. respectively for performance of the duties of local excise authorities in their respective cantonments We presume that Cantonment Magistrates used to be incharge of excise work Whether this be so or not, this allowance should be abolished We cannot see why excise work should now be regarded as onerous or extraneous to the duties of the Executive Officers of the Cantonments, who also are maintained from central revenues If Army Department demand a *quid pro quo* for their part-time services in connection with excise work, the question should be considered on its own merits But we hold that there is no justification for the payment of these allowances to the individual officers

On our proposals there will be a reduction of expenditure of 36 lakh as below —

Rs

22,400 on the pay and allowances of officers

7,500 (approximately) on the pay of establishments which, we presume, can and will be reduced by about one-third, partly because of the rendition of the Indore Residency Bazaars and partly owing to the abolition of a special officer

2,000 Reduction in the provision for travelling allowance

1,000 Reduction in the provision for Contingencies

1,000 Contribution (this saving is automatic)

2,200 (approximately) on account of the reduced compensation payable to Indore Durbar

36,100

If, however, our proposal to abolish the Excise Commissioner's post is rejected, the excise expenditure can and should be reduced by at least 10

(iii) *Stamps* —The provision is only Rs 1,800 and is for the payment of charges for the sale of judicial and non-judicial stamps We recommend acceptance of the departmental offer of Rs 400

(iv) *Forest* —The total provision is Rs 12,000 out of which Rs 4,900 is for conservancy, maintenance and regeneration and Rs 5,000 is for the pay of a staff of fifteen By way of reduction in allowances, etc, the department has offered to reduce the expenditure by Rs 1,300 We agree that there is not much further room for reduction But we think the programme of "conservancy, maintenance and regeneration" should be slowed down a little and a total reduction of Rs 2,000 effected

(v) *Registration*—The 1931-32 provision is only Rs 1,300, mostly for house-rent and other allowances and the department has offered a reduction of Rs 500. The offer may be accepted.

(vi) On our proposals the total reduction of expenditure under Account I will be 39 lakh.

Account II—Police.

(vii) The expenditure on Police has varied as shown below—

1913-14	1922-23	1924-25	1929-30	1930-31	1931-32
Rs 1 46	2 89	2 36	2 20	2 10	2 12

But the rendition of the cantonment of Sehore and the recent retrocession of the Indore Residency Bazaars vitiate a real comparison, unless the figures are adjusted.

The administered areas where the agency police is stationed and their populations are as below—

(1) Indore Residency	15,148
(2) Mliow Cantonment	31,097
(3) Neemuch	9,541
(4) Nowgong Cantonment and Civil Lines	16,455
(5) Sutna Agency Headquarters	210
(6) Bhopal	118
(7) Manpur Pargana	6,852

The Inchcape Committee had recommended that for 1923-24 the police budget should be limited to two lakhs. In view of the subsequent rendition of Sehore and the Indore Residency Bazaars we think the expenditure should be very substantially reduced. The department has proposed to effect a reduction of 32, the important items of retrenchment being (a) reduction of the force from 447 to 408, partly due to the rendition of the Indore Residency Bazaars, and (b) abolition of one post of Deputy Superintendent and four posts of Sub-Inspectors. We hold that there is no justification for an expenditure materially in excess of 1 60 lakhs, as we proceed to show below. In addition to the savings offered by the Department we recommend the following—

- (a) A small police force of 408 men cannot need so many as three gazetted officers, the department proposes to reduce the number to two. The Mahi Kantha Agency Police force (359 ranks) has only a Deputy Superintendent in charge and one Inspector. Other instances can be quoted from the provinces where a single gazetted officer of the rank of a District Superintendent is expected to look after a police force of about this size over a much larger area. The population served by this police force is now only a little over half a lakh. Further, we observe that compared with the police force in Rajputana or Hyderabad or Western India States Agency the police force in Central India has up till now been rather over-staffed. We hold that it should not be at all difficult to abolish the two extra posts of Assistant and Deputy Superintendents. (In fact we observe that both the present officers are Deputy Superintendents.) If necessary, an

additional post of Inspector may be created to assist the Superintendent, the contention that Mhow Cantonment should have a special British gazetted Police Officer fails to convince us. In view of the reduced responsibilities of the Superintendent the reason for a special pay of Rs 100 to him is no longer what it must have been when Sehore and the Indore Residency Bazaars had to be policed by men under his control. This special pay should therefore be abolished. If, however, in the absence of a special pay it is found difficult to attract a regular officer of the Indian Police Service to this post, the post might, as in the case of the Hyderabad Amalgamated Police, be placed on a special scale of pay not exceeding the pay admissible to an I P S Officer, and any suitable officer not necessarily drawn from the I P S might be appointed to it. Our proposal will yield a saving of 10.

We observe that the present strength of the police force is materially below what it was in 1926-27. The reduction was, however, an inevitable result of the important changes that have taken place since 1924-25. As a consequence of the rendition of the Indore Residency Bazaars the Foreign and Political Department has offered to reduce 20 in the provision for the police force. We assume that the proposed reduction of the police force will affect not the officers but the subordinate ranks. Even then it amounts to only about one-seventh. We think a larger saving should be possible (say, of 1/5th, i.e., 28) and we recommend accordingly.

(c) Even though the strength of the police force will presumably be reduced on account of the rendition of the Indore Residency Bazaars, we observe that reduction on account of ministerial charges as offered by the department is only Rs 1,600. The number, we observe, is the same to day as it was in 1926-27, when the rendition of even Sehore had not taken place. In our opinion it should be possible to reduce the number by at least three, saving Rs 3,000.

(d) As regards Allowance and Honoraria, Supplies and Services and Contingencies, the department has offered Rs 10,400. In our opinion it should not be difficult to save at least one-third of the total provision, i.e., approximately 12.

(viii) On our proposals the total reduction in Account II will be 53.

Account III.—Political.

(ix) The Inchcape Committee had recommended the consideration of the question whether the maintenance of the then existing number of subordinate agencies was necessary. The number was accordingly reduced to four by the abolition of the Malwa Agency. The department has already, in the interests of retrenchment, amalgamated the Bundelkhand and Baghelkhand agencies. The amalgamation is expected to result in a saving of 368 lakh, the original estimate was 42 lakh.

Further, we note that the department had under its consideration the question of abolishing the Bhopal Agency. It is true that the amalgamation of Bundelkhand and Baghelkhand agencies to a certain extent affects the question of abolishing the Bhopal agency. For the present we do not definitely recommend its abolition. But we would like the Department not to give up consideration of this question merely on the ground that Bundelkhand and Baghelkhand agencies have been amalgamated. In this connection we invite attention to the history of the Western India States Agency (Chapter X, para 1, page 132)

(x) We further note that the department has abolished the post of an Assistant Political Agent at Manpur, an Attaché at headquarters and the Registrar to the Central India Agency who was also working as Treasury Officer, the treasury duties have been made over to the Under-Secretary to the Agent to the Governor-General. Considering that in Central India there is no administered area corresponding in importance to Secunderabad under the Hyderabad Residency, we hold that it should be possible to abolish the post of Under-Secretary as well. We note that in his secretarial capacity he deals with judicial, financial, general and education cases so as to leave the Secretary free to deal with political and confidential work. His non-secretarial duties are the magisterial and executive duties of (a) Residency Magistrate, and (b) Deputy Political Agent in Malwa. The Secretary himself is District Magistrate and Sessions Judge. It has been claimed that when the A. G. G. proceeds on tour, some of which may be of prolonged duration, he must be accompanied by a Secretary not only for ceremonial purposes but also for the disposal of his work. The department's view is that if there were only a Secretary and no Under-Secretary, the headquarters of the agency would be left without a political officer, and this would result in the practical suspension of all work and the accumulation of arrears.

The Department's arguments in support of the retention of the Under-Secretary's post do not convince us. All the duties mentioned are comparatively of a routine nature and such as can be performed equally well by an officer of a lower status. These as well as the work of the Registrar and Treasury Officer should be made over to an officer of status corresponding to that of an Assistant Secretary. Although in the absence of details we cannot give an estimate of the savings, it is possible that they will not be far short of 03.

As regards the abolition of the post of Assistant Political Agent, Southern States of Central India and in Malwa, we approve of the department's action. We note however that against the abolition of this post a new post of officer on special duty in Central India with headquarters at Indore has been created since 1st December 1931. If, as we assume, this special duty is only temporary, we hope that the retrenchment will be permanent. We approve of the proposal to abolish the post of Attaché.

(xi) (a) On the same grounds on which we have recommended the abolition of the post of Residency Surgeon, Hyderabad Residency, but subject to what we state in (b) below, we make a similar recommendation in respect of Central India. Indore and its environs are some of the healthy areas on the central Indian plateau and presumably Indore Durbar maintain qualified medical staff. We agree that when the Residency Surgeon's post is abolished, an

Assistant Surgeon, perhaps with even superior qualifications, should be maintained for the needs of the Residency staff. Our proposal will reduce the 1932-33 estimates by 27.

We realise that our proposal about the abolition of the Residency Surgeon's post is likely to raise the question of the absorption of the I M S cadre during peace time. But we hold that the present arrangements relating to the I M S require a radical overhaul and we therefore do not consider ourselves bound to keep within the four corners of the present arrangements. Should however our proposal be rejected, our recommendations in the following paragraph should be given effect to.

We observe that, in addition to his pay on the I M S scale, the Residency Surgeon gets special pays and allowances aggregating Rs 1,142 p m. We have not come across another Residency Surgeon in receipt of as many as ten different special pays and allowances. In our opinion the aggregate emoluments paid to this officer out of funds other than central revenues are themselves so substantial, that no special pays or allowances from central revenues should be necessary to attract officers of suitable status and qualifications. We therefore propose that the following special pays and allowances be deleted and give reasons in support of our proposals —

- (i) Rs 250 special pay as Chief Medical Officer. Although the Residency Surgeon is technically designated as Chief Medical Officer also, his duties in the latter capacity must necessarily be extremely light. He has only two other agency surgeons under him, and the extra duties which he finds it possible to perform on behalf of various Indian States and non-Government bodies and for which he gets substantial allowances show that his own duties as Residency Surgeon and C M O cannot be heavy. We can see no justification for his legitimate duties, light as they are, being split up and special pays being attached to each. We have made a similar proposal in the case of Delhi, Rajputana and the Western India States Agency.
- (ii) Rs 100 special pay for visiting medical charge of the Southern States Agency. We cannot agree that such work should be regarded as extraneous to his duty as Residency Surgeon.
- (iii) Rs 50 special pay for supervision of medical and sanitary arrangements for the Malwa Bhil Corps at Indore. Reason same as above.

Our proposals above will involve a reduction of 05 in the expenditure from central revenues.

We consider it objectionable that an officer's extra emoluments should amount to as much as Rs 1,150 p m. The whole question should be carefully reviewed with a view to substantial reduction of the other allowances attached to this post. In particular, we suggest that the emoluments payable from Local and hospital funds, over which officers of the Residency have almost complete control and to some of which substantial grants-in-aid have to be made from central revenues, might be substantially reduced.

We have generally protested against the policy of special pays and we draw Government's attention to this case as typical of the tendency for such pays to accumulate and grow in a form calculated to conceal from view the total emoluments drawn

(b) If the Residency Surgeon's post is not abolished, the special pays and allowances of Rs 175 to the Assistant Surgeon should be reduced to an amount not exceeding Rs 50 or 60 p m, this allowance being specifically in respect of the Jail charge. For an officer on a scale of pay of Rs 200—450 the present amount of Rs 175 is out of all proportion to the pay proper. In any case we see no justification for allowances to the Assistant Surgeon for working as Assistant Residency Surgeon and as Personal Assistant to the Chief Medical Officer. These duties can by no means be regarded as extraneous or onerous.

(c) We observe that the Agency Surgeon at Nowgong draws a duty allowance of Rs 125, till only recently the amount used to be Rs 150 p m. Since Nagode State contributes Rs 25 towards it, the burden on central revenues is Rs 100 p m. The department justifies this special pay on the ground of additional duties caused by the abolition of the appointment of Agency Surgeon, Baghelkhand. We cannot accept this as a valid plea. If it were to be accepted, the abolition of every post would necessarily involve the payment of a duty allowance to some other officer placed in charge of all or some of the duties of the post abolished. Thus, for example, the Political Agent, Bundelkhand, would have to be given a special pay on account of the amalgamation of the Bundelkhand and the Baghelkhand agencies. We recommend the abolition of this special pay, in so far as it is paid out of central revenues. We may here add that the other extra emoluments of the Agency Surgeon, *viz*, Rs 425 p m, are sufficiently liberal to continue to attract officers of suitable standing and qualifications.

(d) Further, we think the post of the Agency Surgeon, Bhopal, can and should be abolished. His duties must necessarily be light and, considering that even the Residency at Gwalior has somehow carried on for years with the occasional visiting services of the Civil Surgeon of Jhansi and that even these will soon be abolished, we see no reason why Bhopal political agency with its small staff should not be able to carry on without an Agency Surgeon. The fact that he holds medical charge of the Sehore hospital appears to us to show that the Surgeon's real duties must be light. In any case it is beside the point, since Sehore after its rendition to Bhopal State is not one of the administered areas and is therefore outside the scope of the Government of India's medical responsibilities. We have carefully considered the arguments adduced by the department in favour of the retention of this post and our conclusion is that its case is an extremely weak one—weaker than the case for the retention of the Residency Surgeon at Indore. So far as the supervision of medical and public health departments of the smaller States and estates is concerned, we cannot agree that central revenues should bear such charges. Besides, we do not think that a costly officer is necessary for this purpose. As regards advice to Bhopal State on public health questions, it seems to us that that State would easily be able to make its own arrangements if the Agency Surgeon's services were not available. Considering the specialisation of public health work we are not sure that a medical officer can do justice to public health,

and particularly epidemiological questions such as are alleged to exist in a somewhat serious form in Bhopal State. The department holds that if this post is abolished, it will not be possible for the remaining two superior medical officers, *viz*, the Residency Surgeon at Indore and the Agency Surgeon at Nowgong, to carry on the traditional medical and public health duties of the agency medical officers. We agree that each one will have certain additional duties to perform but we hold that the traditional view of the duties to be expected of the medical staff attached to political agencies must now be re-oriented. The medical and public health arrangements in the important Indian States can be, and sometimes are, of a fairly advanced character, and in our opinion the existence of medical appointments attached to political agencies must to a certain extent have the effect of retarding the growth of modern medical and public health arrangements in some of the States. Besides, the explanations furnished to us of the duties of the Residency Surgeon, Indore, the Agency Surgeon at Nowgong and the Agency Surgeon at Bhopal show that by merely relieving the Residency Surgeon and the Agency Surgeon, Nowgong, of duties which cannot by any means be regarded as germane to their main functions, it should be possible to get them to look after all the essential work of the Agency Surgeon at Bhopal. We may here add that Bhopal is not far from Hoshangabad, the headquarters of a division in the Central Provinces and even from Indore the distance by a motorable road is 94 miles. There is also a railway connection with Indore.

If this recommendation is accepted, the post of Residency Surgeon, Indore, may be retained, though with reduced special pays and allowances.

(xii) The allowance of Rs 350 p m to the District and Sessions Judge of Nimar at Khandwa is a new item in the 1931-32 estimates. This new liability was undertaken, because the Agent to the Governor-General is rarely an officer of much judicial experience and it was considered advisable to give him regular judicial assistance in the disposal of judicial cases so as to leave him more time for attention to political work. The conditions on which arrangements have been made with the Central Provinces Government for the disposal of such work are —

- (1) that the District and Sessions Judge of Nimar should visit Indore for a total period of 33 days in each year spread over approximately six visits,
- (2) that an allowance of Rs 350 per mensem be paid to the Central Provinces Government Revenues. (This condition may be noted, since we shall have occasion to recommend its application to a similar case in the Hyderabad Residency)
- (3) that the usual travelling allowance be paid from the Central India budget.

Apart from the alleged grounds the claim to the part-time services of a Judge appears to have been based on the Hyderabad analogy. It is a new item and we recommend its abolition. Even if the arrangement is continued, the reduction of the amount might be taken up with the Central Provinces Government. We presume that the officer does not get the whole of the Rs 350 and

that either the Central Provinces Government keep it or share it with him, but if our presumption is wrong, we recommend that the condition should be revised so as to enable the Central Provinces Government to recoup themselves for the services performed by one of their own employees

(xiii) The total provision for the pay of establishments is 1 64 The expenditure has varied as below —

1922-23	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32
1 32	1 35	1 37	1 42	1 46	1 53	1 64

The following table shows how the establishments have grown For the sake of convenience officers have also been shown in this table (O = officers C = clerical I = inferior)

	1922-23			1928-29			1929-30			1931-32		
	O*	C*	I*	O	C	I	O	C	I	O	C	I
Indore	6	30	30	8	34	29	8	34	29	8	34	29
Southern States	2	9	7	1	14*	8*	1	14*	8*	2	14*	8*
Baghelkhand	1	9	8	1	10	8	1	10	8	1	10	8
Bundelkhand	3	12	12	3	15	14	3	15	14	3	15	14
Bhopal	2	11	12	2	12	12	2	13	11	2	11	11
Malwa	1	7	6	(now extinct)								
Total	15	78	75	15	85	71	15	86	70	16	84	70

*Excludes temporary establishments

In spite of the amalgamation of the Bundelkand and Baghelkhand agencies the reduction in ministerial charges which the department proposes to effect is 068 We think that the reduction of expenditure should be nearer 10 per cent Pending further detailed consideration by the Department, we think a provision of 1 50 lakhs, i.e., Rs 4,000 in excess of the actuals of 1929-30 should suffice

(xiv) Similarly in the provisions for Allowances and Honoraria, the reduction effected by the Department is Rs 7,500 Considering that the total provision aggregates Rs 46,800 and that under Government orders certain allowances have, since the preparation of the 1931-32 estimates, been subjected to percentage cuts, we consider that a reduction of Rs 10,000 could and should be made

The Political Agent, Bhopal's sumptuary allowance of Rs 100 was sanctioned in 1929 on the ground that his headquarters were shifted from Sehore to Bhopal, the capital of a Muslim State, where there is more obligatory entertainment to do We recommend that this allowance be abolished Few Political Agents get sumptuary allowances and district officers and commissioners incharge of important headquarters stations in the major provinces, some of them with very large non-Hindu population, do not get sumptuary allowances.

(xv) *Supplies and Services, Contingencies and other Charges* — Table C in paragraph (3) may be seen The department offered a lump cut of 44 lakh on account of retrenchments under consideration We think, the provision for

1932-33 should be on about the same level as for 1928-29, saving at least Rs 40,000. We may draw special attention to the provisions for such items as "Grain Compensation", "Purchase and Maintenance of Motor Cars", "Liveries", the A G G's saloon, etc. They appear to be amenable to considerable retrenchment.

(xvi) On our proposals the total reduction of expenditure under Account III will be 1 55 lakhs

ACCOUNT No IV

(xvii) *General Administration—Charges of Manpur Pargana*—An establishment of 59 executive subordinates, clerks, servants, etc [for details see paragraph (2)-D] is maintained at a total cost of Rs 11,100 (including allowances), other expenses amount to Rs 900. The provision which is 12 in the current year has not varied except to the extent necessitated by the accrual of increments of pay. The number employed was the same in 1923-24. The department has effected a reduction of Rs 300. We think it should not be difficult to save at least Rs 2,000 by reducing the status and pay of the Tahsildar (his present pay being 175—25/2—275) and the clerks, a slight reduction of staff and reduction of the provisions for "house-rent and other allowances" and "office expenses and miscellaneous expenditure". We draw particular attention to the Tehsildar's pay which appears to us to be excessive for the duties performed by him. So far as we can ascertain, the post used to be held by a Sadar Kanungo—an office of much lower status and pay. *Prima facie* we cannot see why this older and far more economical arrangement should not be reverted to.

(xviii) *Administration of Justice*—The sudden growth of expenditure from 09 in 1922-23, to 42 in 1924-25 and 51 in the following year was due to the fact that special judicial officers had to be appointed for the cantonments at Mhow and Neemuch to take over work which formerly used to be done by Cantonment Magistrates. This separation of functions was a consequence of the introduction of the Cantonments Act of 1924. Judicial work, both criminal and civil, in cantonments situated in areas under the jurisdiction of the Foreign and Political Department was transferred to that department and had to be carried out by officers specially appointed for the purpose. In the case of Central India the new arrangements affected the three cantonments of Mhow, Neemuch and Nowgong and were given effect to from May 1924. The initial cost of these arrangements was estimated to be Rs 34,210. The department has reduced this expenditure as below—

Due to the rendition of the Indore Residency Bazaars	089
Municipal charges	013
Allowances, etc	•012
	<hr/>
	114
	<hr/>

We are not satisfied that separate judicial officers are required for Mhow and Neemuch. Their populations are 31,097 and 9,541, respectively, and though they are both essentially urban areas, the judicial work is not likely to be heavy enough to keep the officers fully occupied. The only argument urged by the department against the amalgamation of the two posts is that Neemuch is 160

miles from Mhow We may cite the case of the Judicial Commissioner of the Western India States Agency at Rajkot who also looks after judicial work at Mount Abu and again at Ajmer We suggest for the consideration of the Departments that one of the two posts may be abolished, in that case the officer retained might go "in circuit" to the other cantonment in his charge

Further, it is no longer necessary to make any provision for a special pay of Rs 200 *plus* a compensatory allowance of Rs 100 to one of the judicial officers This was intended in fact for the British Judicial officer at Mhow, the reservation of this post for a British officer is no longer in operation, and the post is filled by an officer of the Central India cadre on Rs 800—25—1,000 without any allowances The change is expected to result in a saving of Rs 5,700. We also presume that it will not be necessary to make such a large provision as Rs. 4,200 for leave salary

Our main proposals above should yield a saving of about 18 in the provision for the pay of officers In addition, we think the rendition of Sehore has not been reflected sufficiently in a reduction of expenditure Keeping this in view and also the reduction which must result from the rendition of the Indore Residency Bazars, we think it should not be difficult to save about 25 in the provision for "Administration of Justice"

(xix) *Jails* —There is a provision of Rs 400 for an establishment of two and of Rs 13,300 for other charges We presume that this small establishment is for the pargana of Manpur The real jail staff under this Agency is of course much larger, the jail establishment at Indore alone being 35, but this staff is provided for in the political estimates and is non-voted From the voted provision of Rs 1,700 the department has effected a reduction of Rs 400 We are content to recommend its acceptance

(xx) *Ecclesiastical* —The provision is Rs 28,700 A reduction of Rs 500 has been proposed by the department We have, however, dealt with the whole Ecclesiastical expenditure in Part II of our *Interim Report* (Chapter XX and paragraph 15 of Chapter I)

(xxi) *Education* —The 1931-32 provision for Education is 1 21 A glance at the figures given in Table A in paragraph 3 will show that since 1927-28 educational expenditure has not only not grown but has been somewhat on the decline, presumably owing to fluctuations in the grants-in-aid, some of which may have been non-recurring

Out of a provision of 1 21 lakhs the grant-in-aid to the Chiefs' (Daly) College, Indore, accounts for Rs 50,000 The other grants aggregate about 63 So far as superior inspection is concerned, Central India utilises the part-time services of the Superintendent of Education, Delhi and Ajmer-Merwara For this the area is charged one-sixth of his, his stenographer's and his other additional staff's salaries. Besides, for the inspection of primary schools an Inspector and a clerk are also maintained

The department has effected a reduction of 0 89 lakh

We shall first deal with the grant-in-aid to the Daly College We observe that the obligation was undertaken by the Government of India during Lord

Curzon's viceroyalty when certain reforms were introduced in the then existing Chiefs' Colleges. Additional expenditure owing to the introduction of the reforms was to be made good by Government. Daly College was reconstituted as a Chiefs' College in 1906 and a subvention of Rs 50,000 per annum was then fixed and has accordingly been granted. Whatever the history of this obligation, we consider that it is no longer justified by Government's present financial position. We consider it unfair to apply central revenues to Chiefs' education. It should not at all be difficult for the Foreign and Political Department to enlist the generosity of the States concerned in making the Chiefs' Colleges practically speaking self-supporting. On these grounds which also apply to the similar proposals made by us in the case of Mayo College, Ajmer, the Rajkumar College, Rajkot and the Rajkumar College at Raipur, we recommend that the provision of Rs 50,000 for the grant-in-aid to the Chiefs' College, Indore, should be deleted. Otherwise we are content to accept what the department has already done. The reduction of expenditure will be 56

(xxv) *Medical* —The principal items in the provision of 52 for Medical are (i) medical and other establishments costing Rs 17,400 on pay alone, (ii) Rs 22,000 grants-in-aid to medical institutions, (iii) Rs 1,000 scholarships to medical students, and (iv) Rs 5,100 cost of medicines and diet

The department has effected a reduction of Rs 1,500 in the expenditure on contingencies, etc. In addition to this we propose that the provision of Rs 700 for allowances of Rs 30 p. m. each to the Staff Surgeons at Mhow and Neemuch for the performance of civil medical duties in those two cantonments should be deleted. The status of the officers concerned does not appear to us to be consistent with the payment of small allowances for such civil work as they are occasionally called upon to do. Besides, the officers are maintained from central revenues. If the Army Department should demand any *quid pro quo*, the claim should be considered on its merits.

The principal grant-in-aid is presumably intended for the King Edward Hospital and the King Edward Hospital Medical School. We observe that the Residency Surgeon gets substantial allowances [*vide* paragraph (2)-A] from these institutions to which liberal grants-in-aid have to be made from central revenues. We have already suggested the reduction of these allowances from funds virtually under the control of officers attached to the Residency. In other respects we would leave the provision for Medical intact. Including the department's reduction of Rs 1,500 we think that immediate reduction of Rs 2,000 should be possible. Such reduction of the grants-in-aid as may become feasible as a result of the action suggested by us will be in addition to this Rs 2,000.

(xxvi) *Public Health* —The 1931-32 provision is Rs 37,400 of which all but Rs. 400 was for a drainage scheme for the Residency. In view of the rendition of the Indore Residency Bazars this scheme has naturally been given up. The reduction of 37 should of course be accepted. In addition, a reduction of Rs 200 has been made under contingent expenditure in connection with bubonic plague. We approve of this reduction.

(xxvii) *Agriculture* —The provision is Rs 5,700, *viz*, Rs 2,400 for a special officer (on Rs 200 p. m.) and Rs 3,300 for other charges in connection

with the agricultural development of Manpur pargana. The department has abandoned the scheme and cut out the entire provision.

While generally speaking we do not favour the abandonment of beneficial schemes, we think that in this particular case no adequate return could be expected from the outlay on the agricultural development of a single small pargana. We therefore take no objection to the department's action in abandoning this particular scheme.

(xxv) *Inspection of motor vehicles* — There is a provision of Rs 400 for motor allowances and Rs 600 for office expenses and miscellaneous expenditure in that connection. The former is for allowances, one of Rs 20 and the other of Rs 10, payable to two clerks in the Criminal (*i.e.*, Police) branch. These allowances were sanctioned in 1927 for the extra work of registration and licensing of motor vehicles. The provision formerly used to be made under the major head "26—Police". The department claims that the allowances are paid in lieu of additional clerical posts. In view of the rendition of the Indore Residency bazars, the amount of these allowances should be reduced to, say, Rs 15 (say, 10 and 5) *p m*, *i.e.*, by about Rs 200.

The provision for other charges should be halved.

The total reduction of expenditure should be Rs 500.

(xxvi) *Miscellaneous* — The 1931-32 provision for miscellaneous expenditure is Rs 26,500, *viz.*, Rs 25,300 for grants-in-aid, Rs 400 for rewards to European ladies for passing departmental examinations, Rs 200 for miscellaneous durbar expenditure and Rs 600 for other compensations.

The department has effected a reduction of Rs 19,700.

The contribution to the Indore Residency Bazars used to be Rs 19,400, the whole of this should now appear as a reduction of expenditure. The contributions to Manpur town fund (Rs 3,500), Sutna bazar fund (Rs 200) and Bandelkhand Agency local fund (Rs 1,700) may continue. But the grant-in-aid (Rs 500) to the Chiefs' Guest-house should be reduced as presumably the department intends to do.

(xxvii) On our proposals the total reduction of expenditure in this Account will be nearly 1 50 lakhs.

(7) *Summary of savings* — On our proposals there should be a reduction of expenditure on Central India as an "area" by about 3 97 lakhs. The department had informally and provisionally offered a reduction of 3 23 and effected one of 2 406 lakhs. While as indicated by us above we consider that it is possible to go beyond the department's provisional offer of 3 23 lakhs, we shall be content if the department gives effect to proposals resulting in a reduction of at least 3½ lakhs.

CHAPTER VIII

GRANT NO 85-HYDERABAD

(1) *Introductory*—Hyderabad Residency is one of the oldest political agencies in India and the Resident has the status of a class I Agent to the Governor General. He exercises the powers of a minor local government in respect of the following areas administered direct by the Central Government through him, *viz* ; (i) the Residency Bazaars, (ii) the important cantonment of Secunderabad including Bolarum and Trimulgherry, and (iii) the Cantonment of Aurangabad in the north-west corner of H E H the Nizam's dominions. The population of Secunderabad is 120,801, including a military population of 13,708, in 1921 it was about 95,000. The population of the Residency Bazars, Hyderabad, is 15,532 and that of Aurangabad Cantonment 7,582.

An important point to bear in mind in connection with these administered areas is the existence of Local Funds, *viz* , the local (Abkari, etc) fund of Secunderabad and the Aurangabad Abkari Fund. They amount to substantial figures and unlike the funds of local self-governing bodies they have to bear the burden of certain State activities which would no longer be classed as functions appropriate to local self-governing bodies. [*Vide* paragraph 9 (ix) of Chapter I]

(2) *Analysis of expenditure*—The “area” grant for Hyderabad for 1931-32 is 9 90 lakhs of which 6 71 is “non-voted” and the rest is “voted”. The two most important heads of expenditure are Political (2 91 lakhs) and Police (5 71 lakhs).

The non-voted provision of 6 71 lakhs consists of 2 91 lakhs for expenditure classified as “Political”, 16 for the pay and passage of the Superintendent of the Hyderabad Amalgamated Police, 3 24 lakhs for the Hyderabad Railway Police, 38 for “Ecclesiastical” and 029 for miscellaneous assignments and compensations.

Of the “voted” grant of 3 19 lakhs the main constituents are 2 21 for the Hyderabad Amalgamated Police, 11 for other district executive police, 38 for Education, and 40 for Medical and Public Health.

Besides the “area” grant of 9 90 lakhs there is a provision of 14 78 lakhs under other demands. The more important among these, *viz* , Interest on Ordinary Debt (12 34 lakhs) and Pensions (Political 44, others 1·25) do not concern the administration of the “area” proper. Only the following expenditure can be claimed to be incurred in the area and for its own benefit—

Currency—(05), Civil Works (52), Stationery and Printing (12), Refunds (06), Total 75 lakh.

The total expenditure from Central revenues (*i e* , apart from that from Local Funds) on this agency may therefore be said to amount to 9 90 *plus* 75 = 10 65 lakhs, and is incurred on (i) the maintenance of Political relations with His Exalted Highness the Nizam's Government, (ii) the administration of certain special police arrangements including those for the Nizam's Railways, and (iii) the administration of certain areas—

(3) *Growth of expenditure*—The following table sets forth the expenditure incurred on Hyderabad “area” in various years —

	1913-14	1922-23	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32
Political ..	1.93	2 58	2 52	2 29	2 20	2 40	2 73	2 79	2 62	2 91
Stamps ..	.	.01	.01		.01	.				.
Justice	.03	.02	02	04	05	04	04	04	04	05
Police .	37	.24	31	27	.19	05	2 40	2 45	2 55	5 71
Ecclesiastical	44	49	47	42	.45	.50	44	33	34	38
Education .	58	21	17	18	16	30	33	37	43	38
Medical .	06	10	07	13	06	07	07	07	07	07
Public Health ..	.	10	14	10	11	11	11	10	30	34
Miscellaneous .	02	.01	11	03	02	03	04	08	09	06
Total	3 43	3 76	3 82	3 46	3 25	3 50	6 16	6 23	6 44	9 90

Two important changes described below took place under the head ‘Police’ and have to be borne in mind before a true comparison can be made (i) From 1928-29 recoveries which were formerly deducted from expenditure began to be credited to revenue, thus causing an apparent growth of expenditure, and (ii) the cost of the Railway Police, which is recovered in full from the Hyderabad State, was shown in the expenditure estimates for the first time in 1931-32. Formerly, it was treated as an advance and adjusted under a debt head “Advances Recoverable”. Besides, recoveries from local funds, etc., on account of the cost of Hyderabad ‘area’, which were treated as minus expenditure, are now credited to revenue.

(4) *Inchcape proposals*—The only recommendation made by the Inchcape Committee was a reduction of Rs. 18,500 from the 1922-23 provision of Rs. 23,330 for ‘Education’ on the ground that the cost of secondary education should be met from local bazaar funds and by increased fees. The following table shows how the various provisions for 1931-32 compare with those in various years before and after the war and with the budget recommended by the Inchcape Committee.

	1913-14, Actuals	1922-23, Budget	Budget recommen- ed by Inchcape Committee	1924-25, Actuals	1931-32, Budget.
Political	1 93	2 46	2 46	2 52	2 91
Education	58	23	05	17	38
Civil Works	1 56	1 12	1 12	50	52
Pensions	1 47	1.34	1 34	85	1 69
Ecclesiastical	44	61	61	47	38
Net expenditure on Police	37	24	24	31	1 24
Other Items	22	58	58	35	76
Total	6.57	6 58	6 40	5.17	7.88

(5) *Departmental Offer* —The department has offered a saving of 56 lakh under Political and 33 lakh under Public Health Total 89 lakh The reduction of 33 under 'Public Health' will have the effect of stopping all grants-in-aid for sanitary purposes and general improvement in the Residency Bazaars, presumably the burden will be merely shifted to the local fund or funds concerned

The offer may be analysed into the usual units as follows —

	Budget for 1931-32	Reduction
Officers	1 51	47
Establishment	1 36	07
Allowances	42	
Other charges	1 31	35
Total	4 60	89

The more important items of expenditure in this retrenchment scheme are

- (i) Transfer of pay of Under-Secretary to the budget of the Secunderabad Local (Abkari, etc) Fund
- (ii) Transfer of 90 per cent of the pay of the Residency Surgeon to the Secunderabad Local (Abkari, etc) Fund
- (iii) Replacement of the Personal Assistant to the Resident on Rs 700 by a part-time Military officer with an allowance of Rs 100 per mensem
- (iv) Reduction of the two Upper Division appointments in the scale of Rs 100—10—200, one lower division appointment in the scale of Rs 50—2½—100 and one appointment of Farash on Rs 15
- (v) Abolition of a lower division appointment in the grade of Rs 40—2—80 in the Residency office
- (vi) Revision of scale of the Confidential Clerk's pay from Rs 250—300 to Rs 200—20—300
- (vii) Abolition of shorthand allowance of Rs 25 per mensem to one clerk
- (viii) Stoppage of special pay of Rs 2 each p m to sixteen menials
- (ix) Stoppage of certain papers and periodicals, Reuter's and Indian News Telegrams, etc, for the Residency Office
- (x) Stoppage of grant-in-aid for sanitary and general improvements in the Residency Bazaars

The Department has also drawn our attention to certain proposals under its consideration and has added that if these are finally accepted, there will be a further reduction of 41 lakh in the expenditure from the central revenues as below —

- | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|----|
| (i) Abolition of the Frontier Chowkidari establishment | 11 |
| (ii) Recovery of the cost of police in Bolarum and Aurangabad from the Secunderabad Local (Abkari, etc) Fund and the Aurangabad Abkari Fund, respectively | 30 |

(Total saving, if adopted, Rs 1,20,00,000)

One comment we wish at once to make on this entire scheme of retrenchment is that only a small portion of it amounts to genuine relief to the tax-payer. The transfer of the Under-Secretary's pay and of 90 per cent of the Residency Surgeon's pay to the Secunderabad Local Fund and the proposal to recover the cost of the police maintained for Bolarum and Aurangabad from the Local Funds concerned will merely shift the burden to a local set of tax-payers. We observe that at the time of the appointment of the Inchcape Committee also the direction which the Resident's offer to reduce the expenditure took was exactly the same, *viz* transfer of a share of the cost of his staff to local funds. Apart from these important items the only remarkable item is the proposal to replace the post of a Personal Assistant to the Resident by a part-time officer with an allowance of Rs 100 per mensem. We ourselves would in any case have proposed such an arrangement, for, so far as we are aware no other Political Agency or Residency has such an expensive Personal Assistant's post.

(6) *Our proposals* —As usual we shall deal with each account separately

ACCOUNT I —*Political*

(1) The expenditure has varied as below —

1913-14	1922-23	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32
1 93	2 58	2 52	2 29	2 20	2 40	2 73	2 79	2 62	2 91

The Residency staff consists of a Resident (pay Rs 4,000), a Secretary and an Under-Secretary on the Foreign and Political Department scale of pay, an Assistant Secretary (on Rs 800—1,000) and a Personal Assistant (on Rs 700). A Residency Surgeon and an Assistant Surgeon are also attached to the Residency. There is also a provision of Rs 4,200 for the payment of an allowance at Rs 350 per mensem to the "Additional Judge of the Court of the Resident". The Under-Secretary is District Magistrate for the Hyderabad Administered Areas.

The Resident is in receipt of a sumptuary allowance of Rs 1,000 per mensem. The Under-Secretary gets an allowance of Rs 200 per mensem for the management of a minor's estate. The Residency Surgeon's emoluments, apart from his pay are —

Rs 500 per mensem, together with a free house, for medical consultation on His Exalted Highness the Nizam and his family. These charges are borne by the Hyderabad State.

Rs 300 per mensem payable by the Civil Hospital Fund, Secunderabad, and

Rs. 100 per mensem payable by the Secunderabad Local Fund in respect of the District Jail charge.

Besides the staff mentioned above, the following superior staff is also employed but no provision for such staff is made in the estimates —

(a) District and Additional Sessions Judge, Secunderabad (pay Rs 1,100)

(b) Second Magistrate, Secunderabad (pay Rs 900).

(c) District Munsif, Secunderabad (pay Rs 600 *plus* Compensatory Allowance Rs 75)

(d) Judicial Officer, Aurangabad (pay Rs 450)

There are also two Superintendents and two Deputy Superintendents of Police, they will be dealt with under Sub-head 'Police' of Account II

The above description will show that the real aggregate expenditure is considerably in excess of the provisions in the estimates. It is difficult to compare it with expenditure in, *e.g.*, the Western India States Agency in whose case the expenditure on account of the pay of the Judicial Commissioner and other similar officers is shown in the estimates.

The Department has offered a reduction of 56 lakh. We presume that the important details are contained in the proposals set forth in paragraph (5).

It is true that the reduction offered will take 'Political' expenditure in this agency back to a figure which does not compare unfavourably with the actuals of 1925-26 or 1926-27 and which will be actually lower than those of 1924-25 and 1927-28. Were it not for the fact that our own scrutiny discloses to us some additional avenues of economy, we would have been content to recommend acceptance of its offer. As it is, we propose to examine the position in some detail.

(ii) In our opinion the staff maintained for this Residency is excessive and can be reduced without risk of serious inconvenience. In this connection we should give a warning against the application of analogies from other Residencies. The conditions of the Hyderabad Residency, which has to deal with one large but compact State, are different, in essence, from those of political agencies like, *e.g.*, Rajputana or Central India, which have to deal with a number of States and sometimes, as in the case of the Western India States Agency, have also to discharge ordinary judicial and even administrative functions on behalf of some of the States.

We have examined the question whether it is necessary to retain an Under Secretary, an Assistant Secretary and a Personal Assistant, and have come to the conclusion that either the Under-Secretary's or the Assistant Secretary's post should be abolished. We observe that from 10th August 1931 the Assistant Secretary is in charge of the current duties of the Under Secretary and that the latter's duties as District Magistrate of the Hyderabad administered areas are being performed by the Second Magistrate, Secunderabad. Presumably this has been due to the transfer of the Under Secretary's pay to the budget of the Secunderabad local fund. As we understand the position, these facts show that the Under Secretary's post can be abolished. We do not approve of the department's action in merely transferring the Under Secretary's pay to the budget of the Secunderabad Local Fund, since in our opinion it is not genuine retrenchment and does not afford relief to the taxpayers of the area.

As regards the Assistant Secretary's post we assume that his duties are the usual duties of an officer in charge of an office. An officer on a pay of Rs 840 is altogether too expensive for the duties expected of him. In our opinion this post should be replaced by a post corresponding to that of an

ordinary superintendent in an administrative office Even then there should be a very substantial saving on the difference of pay We may observe that the basic pay of the present Secretary as shown in the October 1931 Quarterly List appears to be Rs 900 If so, the argument for reducing the status of the Assistant Secretary's post is even stronger

For the present, we shall assume that the Under Secretary's post can and will be abolished, and that the Assistant Secretary's post will be reduced in status

We approve of the department's proposal to replace the Personal Assistant by a part-time military officer

(m) Secondly we can see no reason whatever for the retention of a Residency Surgeon The entire system of attaching surgeons to political agencies appears to us to be out of date now It undoubtedly had its utility in days when qualified practitioners of the western system of medicine and surgery were not readily available But with the growth of an independent medical profession and the revolution in communications and particularly in view of the employment of qualified doctors and surgeons by the leading Indian States, the need for attaching surgeons to political agencies, as a matter of course, is no longer what it used to be We may further observe that in the case of the Mewar Residency the department has decided to abolish the post of Residency Surgeon, the case for the abolition of the post of Residency Surgeon, Hyderabad, appears to be even stronger We understand that Hyderabad has a well-equipped and up-to-date hospital in charge of an experienced ex-Indian Medical Service officer and as regards the actual medical work of the Residency Surgeon, the department itself admits that he "is mainly occupied with these Local Fund institutions" His most important "Local Fund institution" duty is his charge of King Edward Memorial Hospital, Secunderabad, on which the local fund spends about two lakhs of rupees yearly The Residency hospital situated in the Residency Bazaars and the Secunderabad jail are also looked after by him

We observe that the department has proposed to transfer 90 per cent of the Residency Surgeon's pay to the Secunderabad local fund We do not consider this genuine retrenchment It may relieve the central revenues but it does not lighten the taxpayer's burden A station like Secunderabad which presumably already has the usual medical staff attached to the army units stationed there cannot afford the high pay of an officer of the status of the Residency Surgeon Stations of corresponding importance together with thousands of square miles of rural area in the major provinces are frequently in charge of civil surgeons drawn from the provincial medical service The proposed arrangement will merely help to conceal the real expenditure on the Residency Since presumably the agency administering the Secunderabad local fund at present is mainly official, it cannot be expected to raise its protest against the proposed arrangement We must therefore give our warning against the arrangement contemplated by the department What is really needed is real permanent reduction of expenditure so as to lighten the taxpayer's burden

We accordingly recommend that the post should be abolished A surgeon attached to the Secunderabad Cantonment should, on the Baroda analogy,

be charged with the duty of looking after the medical needs of the Residency staff and the civil hospital at Secunderabad, a suitable allowance not exceeding Rs 250 per mensem being paid to him for this purpose, if need be

In any case, considering that the medical staff at Hyderabad and the hospital there, both of which are within easy reach of the Resident and his staff, are or can be made available for medical advice to, and treatment of, the Residency staff we consider it wholly unjustifiable that central revenues should be burdened with any part of the cost of the Residency Surgeon's post

Before we leave this part of the field under our survey, we may draw attention to the emoluments of the Residency Surgeon. In view of the fee of Rs 500 per mensem payable, and the free house provided, by His Exalted Highness the Nizam's Government, we seriously doubt the justification of the handsome emoluments which the Residency Surgeon at present draws for the hospital and the jail charges. Presumably these allowances are paid from the hospital and the local funds and do not appear anywhere in the central estimates. Besides, we have already proposed the abolition of the Residency Surgeon's post. On these grounds we are content to draw the department's attention to the facts and refrain from making a definite proposal. Since we have proposed the abolition of the Residency Surgeon's post we do not maintain the recommendation in our skeleton scheme that the Assistant Surgeon's post should also be abolished. But if the Residency Surgeon's post is retained, we recommend that the Assistant Surgeon's post may be converted into that of a Sub-Assistant Surgeon competent to hold charge of the dispensary (or hospital if it really is a hospital) for the Residency Bazaars. As regards the King Edward Memorial Hospital, the hospital fund should bear the entire cost of the medical officers working for the hospital. This will provide for such duties (if any) as the Assistant Surgeon may at present be performing for that hospital.

There is also a provision of Rs 400 in the 1931-32 estimates for an 'allowance to a senior medical officer'. If this refers to the Residency Surgeon, we must remark that since he already enjoys a number of liberal allowances and other emoluments, we can see little justification for adding to them. The provision should be deleted.

(v) We observe that the "Additional Judge in the Court of the Resident" gets an allowance of Rs 350 per mensem. This arrangement was initiated in 1923 in response to the public demand for a specialised judicial officer to hear appeals, which in British India would be heard by the High Court or a Judicial Commissioner. A District Judge from one of the adjacent districts of Madras Presidency visits Hyderabad periodically to act as Additional Judge in the Resident's court and is granted an allowance of Rs 350 per mensem in addition to ordinary travelling allowance. The expenditure is subsequently recovered from the revenues of the Hyderabad Administered Areas, and central revenues do not bear any part of it.

On grounds explained above we propose not to exclude this item from our review. In our opinion the allowance is excessive for the additional duties expected. We suggest that it should be reduced to about Rs 150 per mensem. In the alternative, we suggest that it should, as is usual in such cases (*e.g.*

in the case of Central India) be shared by the officer with the Madras Government For the present we assume that the former course will be adopted

(v) Further we propose a reduction of 10 in the provision for the ministerial establishment and a reduction of the provision of Rs 14,300 for travelling allowance by one-half The sumptuary allowance of Rs 1,000 per mensem is excessive and should be reduced to one half

(vi) Under 'Supplies and Services' the department has offered a reduction of Rs 5,900, viz, Rs 3,500 in the provision for the maintenance and renewal of furniture and Rs 2,400 under other items We recommend acceptance

(vii) As regards 'Contingencies', the department has explained that since all major works have been suspended on account of financial stringency, the increased provision for telephonic connections in the Secretary's new quarters, which were intended to be constructed this year, will not be needed, saving Rs 500 The departmental reply makes it quite clear that in 1932-33 the provision of Rs 1,355 for warm clothing will also not be needed There should thus be a saving of 02 under 'Contingencies'

(viii) On our proposals we expect there should be a reduction of about 80 lakhs

ACCOUNT II — *Other Expenditure heads*

The heads of expenditure comprised in this account are —

	Rs
(i) Land Revenue	200
(ii) Stamps	100
(iii) Registration	100
(iv) Administration of Justice	5,000
(v) Police	5 71 lakhs
(vi) Ecclesiastical	38 lakh
(vii) Education	38 "
(viii) Medical	07 "
(ix) Public Health	34 "
(x) Miscellaneous	06 "

The only reduction proposed by the department is 33 under Public Health

Our Proposals — (i) The provision under Land Revenue, Stamps, and Registration are too small to call for a scrutiny

(ii) Under "Administration of Justice" we think it should be possible to save 01 as is shown by the table given in paragraph (3) In no preceding year, except in 1926-27, has the expenditure on this service exceeded 04.

(iii) We have already dealt with Ecclesiastical in Part II of our Report.

(iv) As regard Medical and Education we draw attention to what we have stated in paragraph (10) of Chapter I of Part I of our report We are not prepared to assume responsibility for any reduction in these grants.

(v) Coming to Public Health we observe that the department proposes to reduce the provision for 1932-33 by 33, i.e., to stop in *toto* the grant-in-aid

for sanitary and general improvement of the Residency Bazaars. We are not in a position to say whether the abandonment of the scheme is advisable or not and, so far as its merits are concerned, we record no opinion. We shall, however, include the amount offered, *viz*, 33 in our summary.

(vi) We find that the miscellaneous expenditure is liable to fluctuate. In the light of past experience we doubt if any serious reduction can be made in the 1931-32 provision of 06

(vii) The reduction of expenditure in this account apart from that in the expenditure on police will be .34 lakh

We shall now deal with the provisions for 'Police' under the control of this Residency.

ACCOUNT II —Police

(1) *Explanation.*—Three district forces are maintained, *viz*, (a) the Hyderabad Amalgamated Police at a cost of 2 36, (b) the Hyderabad Railway Police costing, 3.24 and (c) a small force costing .11 lakh for the policing of the Bombay frontier

The strength and gross cost of these three forces in certain years have been shown in the following table —

	1913-14	1922-23.	1924-25	1928-29	1929-30	1930-31	1931-32.
<i>(A) Hyderabad Amalgamated Police</i>							
Superintendent	1	1	1	1	1	1	1
Deputy Superintendent	1	1	1	1	1	1	1
Inspecting Officer					1	1	1
Inspectors and Sub-Inspectors	16	13	{ 15 3 }	18	18	18	18
Sergeants	2						
Head Constables and Constables	645	612	607	612	612	612	612
Total cost	1 58	2 33	2 37	2 28	2 34	2 44	2 36
<i>(B) Hyderabad Railway Police</i>							
Superintendent	1		1	Until 1931-32 Railway Police expenditure was not shown in the estimates but was treated as an "advance recoverable" Hence the details are not available			1
Deputy Superintendent			1				1
Inspectors	4		4				21
Probation { Sub-Inspectors	11	1	11				
Head Constables	74		77				
{ Constables	577		557				720
Total cost	1 64		2 63				3 24
<i>(C) Total cost on Frontier Chowkidari</i>							
	10	.11	.11	.12	12	.11	11

No portion of these forces serves His Exalted Highness the Nizam's Government. The arrangements are somewhat complicated and will bear a little explanation.

The entire cost of the Hyderabad Railway Police (with the exception of Rs 84 per annum on account of a portion of the rent of the Raichur Inspector's

quarters, which is paid from central revenues) is recovered from the Hyderabad State and the Railway companies concerned. The gross cost of this police has appeared for the first time in the current year's estimates as a non-voted item. The policy underlying the arrangements is that of securing to the Government of India control over Railway Police all over the country and follows the same lines as in Rajputana, Central India, Kathiawar, etc. It only remains to add that the Superintendent of the Railway Police gets a special pay of Rs 150 per mensem sanctioned for all Superintendents of Railway Police.

Excluding the cost of the Railway police the total provision for Police is 2 47 lakhs. Recoveries from the various Local Funds, etc., estimated to amount to 2 14 lakhs, are, however, to be set off against this 2 47 lakhs. The net burden to central revenues in 1931-32 is estimated to be only Rs 6,360. The system under which Local Funds bear the burden of the Police entertained for the protection of various areas may now be explained.

In 1907 Government decided that the cost of the police in the Hyderabad 'administered areas' should be a charge on central revenues but contributions-in-aid should be taken from their respective Local Funds. As regards the cost of the Police employed in Aurangabad, it was decided to charge it to central revenues and two years later it was decided to charge the cost of the police at Bolarum also to central revenues. Thus, the average cost of the police force employed in (i) the Residency Bazaars, and (ii) Secunderabad (*minus* Bolarum) together with a proportionate share of the cost of supervision and office establishment is recovered from their respective Local Funds. Further, a moiety of the cost of the Police Training School at Begumpet is also recovered from Hyderabad State on account of the Hyderabad Railway Police.

The average cost of the District Police is 2 51 lakhs distributed as follows —

	Lakh
Secunderabad Local Fund	1.80
Residency Bazaars Fund	.35
Government of India (for Bolarum and Aurangabad Police)	.33
His Exalted Highness the Nizam's Government (for Police Training School)	03

Besides full recoveries of the first three items from the Local Funds and from Hyderabad State, leave contributions of Rs 18,315, Rs 3,590 and Rs 337 are also recovered. Thus, recoveries (including leave contributions) amount to 2 41 lakhs as against 2.36, the *direct* estimated cost in 1931-32 of the Hyderabad Amalgamated Police. The recoveries appear to be in excess of the cost, but since the former includes leave contributions, whereas the latter does not, the excess recovery is only apparent and not real.

The strength of the frontier chowkidari establishment, for which there is a provision of Rs 10,700 in the 1931-32 budget, is one Karkoon, ten Naiks and 130 Sepoys. The cost is entirely borne by central revenues. Considering that the expenditure has not varied, the strength too has probably not varied appreciably. But we have no information on this point.

This force appears to have been entertained by His Exalted Highness the Nizam's Government in 1842 at the instance of the Government of Bombay to guard the frontier against the depredations of certain hill tribes (Bhils) residing in Hyderabad State. Its cost used to be borne by Berar revenues till 1903-04. When Berar was transferred to the Central Provinces Government, the Government of India agreed to bear the charge. The question of the abolition of this force has been taken up with the Government of Bombay and the department hopes to arrange either that the force should be abolished altogether or that central revenues should be relieved of the charge.

Finally, we should add that the 1931-32 estimates contain a provision of Rs 1,800 per annum for an Inspecting and Advising Officer. This too requires some explanation. Prior to the transfer of Berar to the Central Provinces, the administration of the police in the Hyderabad Administered Areas was entrusted to a whole-time officer, viz, the Inspector-General of Police, Hyderabad Assigned Districts, but this appointment was abolished on the transfer. The need for scrutiny and criticism from superior officers with expert technical knowledge was increasingly felt. The system then existing made a heavier claim on the time of the Residency than should have been the case, the Secretary as Inspector-General of Police had to rely almost entirely on the advice of the Superintendents on proposals submitted by them in connection with any police problem. It was therefore thought necessary to appoint an Inspecting and Advisory Officer. This post was accordingly sanctioned in May 1930 with a view to obtaining a more detached and mature police view upon the merits of the proposals submitted by the local Superintendents. The Deputy Inspector-General, Crimes and Railways, Central Provinces, performs the duties of Inspecting and Advisory Officer in addition to his own duties and is given a special pay of Rs 150 per mensem. The cost is met in the first instance from central revenues and is subsequently recovered from the various local funds, the Nizam's Government and the railway companies concerned. Central revenues do not therefore bear any portion of the expenditure on this account.

Similarly a duty allowance of Rs 50 per mensem is paid to the Deputy Superintendent of Police of the Hyderabad Amalgamated Police for his duties as Principal of the Police Training School, Begumpet.

(ii) *Departmental proposals*—The Department has offered no reduction. Its view appears to be that since 5.30 out of 5.71 lakhs is covered by receipts from His Exalted Highness the Nizam's Government and the local funds, no reduction should be made. We agree that so far as recoveries from His Exalted Highness the Nizam's Government are concerned, it is for them to take up the matter if they wish to do so. The local funds, however, are in essence, raised from a limited set of central tax-payers. On this as also on the technical but none-the-less valid ground that the expenditure in fact appears in the estimates of central revenues and expenditure, we propose to examine the scope for economy in the expenditure on the amalgamated police and the frontier chowkidari establishments. We may here draw attention to the analogous cases* of Pilotage, Light-houses and Light, ships, etc.

* *Vide* Sub-paragraph (i) on page 99 and paragraph 13 (i) on page 103 of Part II of our Report
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(iii) *Our proposals.*—

(a) *Hyderabad Amalgamated Police*—Considering that there already is a Superintendent of the Railway Police we are not satisfied that it is necessary to maintain a District Superintendent of police. In fact, we observe that the present incumbent of this post is a junior officer drawing a pay of Rs 750 plus £25 overseas pay and a conveyance allowance of Rs 87-8-0. In our opinion it should not be difficult to reduce the status of this post to that of a Deputy Superintendent incharge of Secunderabad, the Residency bazaars and Aurangabad (In this connection we draw attention to the fact that the Mahikantha police* has only a Deputy Superintendent at its head.) He would of course still have a junior deputy superintendent or a senior inspector to take direct charge of Aurangabad under his control. Since the basic pay of the present incumbent of the post is low, there will not be any great immediate economy resulting from our proposal. But we consider that the reduction of the status of the post will help to keep the cost down against a possible proposal in the future to appoint a senior I P S Officer to the post.

We presume that the conveyance allowance of Rs 87-8-0 to the District Superintendent and of Rs 43-12-0 to the Deputy Superintendent of Police, Secunderabad, are in respect of their duties at Secunderabad and that for journeys to Aurangabad, etc., they are entitled to draw travelling allowances under the usual rules. If our presumption is correct, we recommend the abolition of these conveyance allowances. Numerous cases can be cited in which even with larger and more important towns in addition to thousands of square miles of rural area under their charge superior police officers get no conveyance allowance.

We further observe that the Deputy Superintendent of Police, Secunderabad, gets a special pay of Rs 50 per mensem for his work as Principal of the Police Training School, Begumpet. We cannot agree that the duties of this post should be regarded as either extraneous to this officer's ordinary police duties or so onerous as to justify a special pay. This special pay should therefore be abolished.

The table in sub-paragraph (i) above shows that although there has been some growth in the strength of the force, the growth has not been remarkable. All the same, we recommend that the strength should be reduced to the 1924-25 level. Our recommendation will automatically involve the abolition of the part-time post, created with effect from May 1930, of an Inspecting and Advisory Officer on a special pay of Rs 150 per mensem. We may also draw attention to the fact that in 1930-31 this special pay was Rs 100 per mensem. The strength of the amalgamated police force to-day is exactly the same as in 1922-1923. No really important advisory problems relating to establishments could therefore have arisen to justify the creation of this post in 1930-31 and we consider that it can safely be abolished. We have given due weight to the arguments adduced in the department's reply to our questionnaire [*vide* sub-paragraph (i) above]. But the case appears to us to be very weak indeed. The fact that in this case the expenditure is recovered from the local funds, His Exalted Highness the Nizam's Government and the railway companies should

* *Vide* Chapter XIV, page 175

not make any difference to its treatment on merits We would also draw attention to the risk of this case being cited as a precedent for claims to similar assistance in the matter of police administration from other political authorities similarly situated

(b) *Railway Police*—As regards the strength of the Railway Police we make no recommendation

(c) *Frontier Chowkidari*.—We approve of the Department's action in taking up the question of abolition of the frontier chowkidari establishment with the Bombay Government This force appears to us to be a relic of the unsettled conditions of the first half of the last century In the light of the revolutionary change that has come over communications we are inclined to the view that it should not be necessary to maintain it any longer In this connection Chapter XXII in which we have discussed the question of the Malwa and the Mewar Bhil Corps might be seen In any case central revenues should be completely relieved of the charge

(d) *Local Funds Police*—The Foreign and Political Department has also initiated action with a view to recovering the cost (about Rs 30,000) of the police in Bolarum and Aurangabad from their respective local funds While we approve of this strictly as a measure of relief to central revenues, we do not consider that shifting of the burden from the central revenues to the local funds is genuine retrenchment affording relief to the taxpayer In paragraph 9 (ix) of Chapter I we have explained our views and set forth our proposals in some detail

(e) *Summary*—On our proposals we estimate that the reduction of police expenditure from central revenues will be —

By retrenchment in the Hyderabad Amalgamated Police force	06
Abolition of frontier chowkidari establishment	11
Transfer from central revenues to local funds	30
Total	<hr/> 47 <hr/>

On our proposals the total reduction of expenditure in Account II should be about 81 lakhs.

(7) *Summary of savings*—Our proposals will result in a reduction of expenditure from central revenues by 80 lakh in Account I and by 81 lakh in Account II, i.e., by a total of 1 61 lakhs

CHAPTER IX

BANGALORE.

(1) *Introductory*—This “ area ” consists of the Civil and Military Station of Bangalore situated on a plateau with a salubrious climate (area about 13 square miles and population including 9,163 troops 134,113) It is an “ Assigned Tract ” under British administration through the Resident in Mysore; the city of Bangalore lying to the west of the Station is under the Mysore State. The Residency staff is responsible for “ general administration ” The other departments Police, Railway Police, Education, Medical, Public Health, Land Revenue, Excise, Stamps, Registration, Justice, Jails, Agriculture, Veterinary, etc,—have, broadly speaking, their own special staffs

(2) *Explanation of the grant*—The “ area ” grant is 18 25 lakhs Excluding the provisions for the payment to the Mysore Durbar of their three-fourths share of the previous year’s surplus revenues and excluding the reductions proposed in the “ area ” demand in the 1931-32 budget, the net estimated expenditure is 14 76 lakhs Out of the total estimated revenues of 13 39 lakhs, the revenues creditable to the “ Assigned Tract ” amount to 13 10 lakhs. The difference of 1 66 lakhs between the estimated revenues and expenditure in 1931-32 will have to be met from the accumulated surpluses amounting to 3 43 lakhs of previous years

The following extract from Mr Juke’s Review describes the arrangement reached in 1924-25 with the Mysore Durbar for the disposal of the surplus revenues of the “ Assigned Tract ” —

“ On the rendition of Mysore in 1881, the tract known as the Civil and Military Station of Bangalore was assigned by the Maharaja of Mysore free of charge to Government for exclusive management and in full jurisdiction In the year 1924-25, an arrangement was reached for the determination and disposal of the surplus revenue of this Assigned Tract Under this arrangement the sum of 13 lakhs is taken as a “ datum line ” representing the normal annual expenditure of the Tract If revenue in excess of this sum is received in any year, the surplus is divided between the Tract and the Durbar in the proportion of one-fourth to the Tract and three-fourths to Mysore The “ datum line ” of 13 lakhs is open to reconsideration on the expiry of a term of ten years commencing from 1924-25 To ensure the due fulfilment of the arrangement, regular *pro forma* accounts of the revenue and the expenditure of the Tract are maintained These accounts differ in certain respects from the accounts of financial transactions in Bangalore which appear in the general books of Government and are reproduced in the book of Demands for Grants ”

We may add that the one-fourth share of the Tract is accumulated, if necessary, to meet the cost of improvements in the Tract

(3) *Expenditure and its progress*—The entire expenditure is non-voted. The most important heads are General Administration, Administration of

Justice, Police, Education, Medical and Public Health Bangalore has also to share the cost of the Residency establishment The net estimated expenditure in 1931-32 is 14 76 lakhs and excluding Income tax and Audit 14 16 lakhs In 1924-25 the demand included expenditure on account of Taxes on Income, Audit and Refunds , these items have since been separated and are shown in the respective subject demands and are controlled by the departments concerned The following table shows the variation of expenditure (excluding these items) during the period 1924-25 to 1931-32 under each Head of Account —

Head of Account	1924-25 Actuals	1931-32 Budget estimate.	Difference
Account I—Police	2,83,692	3,25,300	+41,608
Account II—Education	3,27,180	4,53,200	+1,26,020
Account III—Medical and Public Health	6,46,543	3,38,500	—3,08,043
Account IV—Other Expenditure heads	2,44,418	2,99,000	+54,582
Total	15,01,833	14,16,000	—85,833

About half of the increase of 42 in Account I—Police was caused by a mere accounting change Recoveries from the local municipality in respect of motor vehicles and hackney carriage establishments and the motor fire engine are now credited as receipts instead of being taken in reduction of expenditure The remaining half of the increase was due to additional police establishment and the variations in the scale of pay

Account II—Enhancement of the building and furniture grants, variations in the scales of pay, repairs to buildings and inauguration of the five-year programme of educational expansion in all centrally administered areas are the factors responsible for the growth of expenditure under Education.

The decrease of expenditure on Account III is only nominal The 1924-25 figures included two abnormal items, *viz* , 3 18 lakhs for the housing of the poorer classes of the station on account of the outbreak of plague and of 18 lakh for the reconstruction of the main roads Besides, the cost of the plague establishment is now wholly borne by the local Municipality

The bulk of the increase of 55 in Account IV represents the payment of the cost price of country liquor, etc , supplied by the liquor contractor This increase, however, is nominal, since the price which used to be paid from the sales to the public is now treated as expenditure and Excise revenue is being shown gross and not net The other contributing factors are of minor importance

(4) *Revenue*—Mr Juke's Review gives the *pro forma* figures for the years 1924-25 to 1929-30 for both revenue and expenditure We have not got any information about the revenue and expenditure for subsequent years on the same system In 1931-32 the revenues are estimated to amount to 13 39 lakhs of which 13 10 would be credited to the Assigned Tract In previous years the average revenues amounted to about 16½ lakhs By far the biggest head of revenue is Excise which in 1924-25 yielded nearly 14½ lakhs and, in spite of the considerable fall which has taken place since then, is expected to

produce nearly 12 lakhs in the current year Taxes on Income and Stamps are the only two other considerable sources of revenue

(5) *Reason for exclusion from our review*—Since the share of surplus revenues left over after the payment to the Mysore Durbar of the share due to that Durbar is spent exclusively on the Tract itself, central revenues are not eventually affected It is true that a scrutiny of the expenditure of Bangalore would be useful from the point of view of the people of that Station as well as that of Mysore Durbar But we have interpreted our reference to mean a review of central expenditure likely to benefit the average all-India taxpayer Since this cannot be the result of any scrutiny undertaken by us, we have considered it unnecessary to review the expenditure of Bangalore

(6) *Contribution from Bangalore*—As regards the contribution of the Assigned Tract towards the cost of the Mysore Residency and our proposals on this question, we invite attention to paragraph 10 (b) of the portion relating to Mysore Residency in Chapter XII

CHAPTER X.

WESTERN INDIA STATES AGENCY.

(1) *Historical* —When the Inchcape Committee reported, the 377 States and estates in Western India (*i e*, Cutch, Kathiawar, Banaskantha, Mahi-kanthā, Rewakanthā, etc) were under the political control of the Bombay Government as Agents for the Government of India, who bore the expenditure. It had been proposed that in pursuance of the Reforms all the major States and the whole of Kathiawar should be brought into direct relations with the Government of India, but the matter was still under consideration. In October 1924, the Western India States Agency was created and direct relations between certain States and the Government of India were established.

There used to be six political agencies, *viz* , one for Cutch, four in Kathiawar under an Agent to the Governor and one for Banaskantha at Palanpur , their number was reduced to three and the Political Agent for Banaskantha was placed under the Agent to the Governor-General. The important point to note is that the “salute” States in this Agency which up to 1924 had to deal with three intermediate links (*viz* , the Political Agent, the Agent to the Governor of Bombay and the Local Government of Bombay) were left with only one link (*viz* , the Agent to the Governor-General) with effect from October 1924.

(2) *Organisation* —The Agency is under an Agent to the Governor-General and comprises Cutch and the States of Kathiawar and of Banaskantha. All the bigger, *i e* , the “salute” States, of which there are seventeen, deal directly with the Agent to the Governor-General. The remainder numbering 184, have their relations, in the first instance, with the Political Agencies of Western Kathiawar, Eastern Kathiawar and Banaskantha all of which are subordinate to the Agent to the Governor-General. Seventy-one of them exercise varying degrees of jurisdiction and the rest are non-jurisdictional, the latter are grouped under *thanas*.

Rajkot civil station is the headquarters and is under the administrative control of an Additional District Magistrate, who is also Under-Secretary to the Agent to the Governor-General.

The following officers are employed in this Agency —

- (i) An Agent to the Governor-General on Rs 4,000 with a sumptuary allowance of Rs 250 per mensem.
- (ii) A Secretary and an Under-Secretary.
- (iii) Three political agents, one each for Banaskantha, Eastern Kathiawar, and Western Kathiawar.
- (iv) A number of political officers of the status of officers of the “provincial” services. A few of them do judicial work, the others are employed on work similar to that of officers of the provincial executive services in the major provinces.
- (v) A Residency Surgeon who also works as Chief Medical Officer and gets a special pay of Rs 250 per mensem for such duty. He also gets Rs 75 per mensem for the supervision of thana dispensaries and Rs 100 per mensem for the medical charge of the Rajkumar College at Rajkot.

(vi) A Deputy Inspector-General of Police (pay on the I P S scale *plus* a special pay of Rs 250 per mensem), an Assistant Superintendent of Police (with a special pay of Rs 150 per mensem) and three Deputy Superintendents of Police (with a special pay of Rs 100 each)

(vii) A Judicial Commissioner (on Rs 3,000 *plus* overseas pay) who works as such for Ajmer Merwara and "Rajputana" also, a District and Sessions Judge and a Civil Subordinate Judge

(viii) An Executive Engineer

(3) *Special Functions*—Besides conducting the usual political relations with the "non-salute" States in their charge the political agents in this Agency have to supervise the actual administration of a very large number of small States and Estates, their duties in this respect being analogous to those of district officers. In addition, the exercise of "residuary jurisdiction" in petty chiefships with limited powers involves judicial work, civil and criminal, original and appellate

(4) *Expenditure*—The total expenditure in 1913-14 on the Kathiawar, Cutch and Palanpur agencies which now constitute the Western India States Agency was 5 97 lakhs. But this figure does not include certain heads of expenditure, which are included in the figures for 1924-25 *et seq*. Hence a true comparison is not possible except from 1924-25

The following table shows the growth of expenditure since 1924-25. The area is only a political agency and not a minor administration. Hence no distinction has been made between "central" and "provincial" subjects

	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32
A—Political	6 20	6 19	6 05	7 22	7 25	7 20	7 33	7 15
B—Police	7 02	5 73	5 82	5 51	5 90	6 00	5 95	5 90
C—Public Health	03	08	08	08	08	08	09	09
D.—Stamps	02	03	02	01	01	01	01	01
E—Ecclesiastical			03	03	03	02	03	03
F—Education		08	11	24	26	19	19	18
Famine Relief			06					
Total (minus Excise)	13 87	12 11	12 17	13 09	13 53	13 59	13 60	13 36
G—Excise					2 39	3 85	3 49	3 47
Total of A to G	13 87	12 11	12 17	13 09	15 92	17 44	17 09	16 83

Apart from the above heads which appear in the 'area' demand the following expenditure is included in other demands—

Taxes on Income	.	01	01	01	.	.	.	.
Salt	.	13	13	13	12	13	13	13
Opium		31	32	31	31	31	31	31
Currency		06	09	03	02	04	04	04
Civil Works		37	1 56	2 04	1 61	1 45	2 04	2 74
		88	2 11	2 52	2 06	1 93	3 42	3 22
Grand Total		13 87	12 99	14 28	15 61	17 98	19 37	20 05

We may now proceed to explain these sub-heads.

(A) Political

In this Agency residential jurisdiction is exercised by the Government of India on behalf of a large number of small States and Estates. Hence administration is somewhat more expensive than in other agencies where similar conditions do not exist, at any rate to the same extent. The head "Political" includes, besides political expenditure proper, the cost of "Judicial", "Medical" and Public Works establishment.

Expenditure

	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32
Pay of Officers	3 05	3 04	2 93	3 00	3 24	3 13	3 02	3 29
Pay of Establishment	3 12	3 27	3 42	3 60	3 59	3 77	3 90	4 03
Allowances, etc	94	68	92	91	91	1 11	93	98
Supplies and Services	52	63	51	57	58	61	85	63
Contingencies	72	51	42	53	44	52	61	50
Grants in aid, etc	08	09	01	01	07	08	07	07
Works							25	
Miscellaneous								06
Deduct Recoveries	-2 18	-2 03	-2 17	-1 44	-1 58	-1 94	-2 30	-2 41
	6 20	6 19	6 04	7 23	7 25	7 28	7 33	7 15

The Judicial Commissioner's salary is debited in whole to the estimates of this Agency, although he is Judicial Commissioner for Ajmer-Merwara and "Rajputana" as well. The cost of the Executive Engineer is recovered from local funds. A set-off against establishment charges amounting to Rs 2 00 lakhs on account of pay and pension on account of leave and pensionary charges is made by recoveries from the various local funds*. Apart from the house-rent allowance of Rs 22,900 of which Rs 9,336 is recovered from local funds, the chief items of expenditure under the head "Allowances and Honoraria" are fixed and fluctuating travelling allowances. The head "Supplies and Services" includes the expenditure of Rs 26,700 on "Diet and Road Money to Witnesses".

Medical expenditure for the current year amounts to 1 34 lakhs, but from this figure recoveries amounting to Rs 37,028 and receipts credited under the head "XIII—Medical" Rs 6,000 have to be deducted. The net expenditure debitable to central revenues is therefore Rs 91,178. The bulk of this expenditure is made up as follows —

Cost of Chief Medical Officer	18
Cost of West Hospital, Rajkot	50
Cost of Scott Hospital, Palanpur	10
Cost of Wadhwan C S Dispensary	08
Subvention towards pensions	05
	91

* Recoveries for leave and pensionary contribution are credited as revenue, while those on account of pay are treated as deduction from expenditure.

Except for the pensionary charges *thanas* pay in full for the dispensaries and sub-medical officers maintained for their benefit Medical expenditure is not primarily incurred for the benefit of the States, though the hospitals and dispensaries are utilised by the subjects of the smaller States On the other hand, the buildings and equipment of the hospitals, especially of the West Hospital at Rajkot, have to a large extent been paid for by contributions received from the various States in the Agency

The creation of the post of Under-Secretary has involved an additional expenditure of Rs 9,500, while a temporary post of Assistant Political Agent, Kathiawar, involving an extra expenditure of Rs 13,200 was sanctioned for two years with effect from 1st April 1930 Additional staff and the taking over of the Wadhwan Station Dispensary have also caused an increase in expenditure The provision of Rs 6,000 under "Miscellaneous" is merely an accounting entry, and represents the refund to the Army Department of customs duty on imported stores used by Indian States Forces

B *Police*—The expenditure on police has been as follows —

	1924- 25	1925- 26	1926- 27	1927- 28	1928- 29	1929- 30	1930 31	1931- 32
Pay of Officers	39	43	44	42	46	47	46	55
Pay of Establishment and Police Force	5 74	4 14	4 09	4 22	4 33	4 37	4 47	4 45
Allowances, etc	1 53	1 29	1 24	1 25	1 25	1 31	1 33	1 34
Supplies and Services and Contingencies	73	70	56	64	57	56	58	45
Establishment charges paid to the local Government	82	06	07	03	03			
Grants in-aid, etc			01	02	01	01	01	01
	9 21	6 62	6 41	6 58	6 65	6 72	6 85	6 80
Deduct cost of additional police	—1 60	— 89	— 59	—1 07	— 74	— 73	— 90	— 90
Total	7 61	5 73	5 82	5 51	5 91	5 99	5 95	5 90

For comparison these figures need extensive adjustment and explanation

In 1924-25, the police charges of Mahi-Kantha and Rewa-Kantha Agencies (amounting approximately to 1 53 lakhs) were wrongly debited to this head On the other hand, there were some arrear recoveries in 1924-25 on account of the police supplied to railways The abolition of the police in Cutch on the abolition of the Cutch Political Agency led to some reduction of expenditure which, however, has been swallowed up by increase elsewhere

The explanation necessary for a true grasp of the nature of this outlay and its growth is mainly historical Between 1871 and 1881, the Baroda Darbar in accordance with treaty stipulations maintained the Gaekwar contingent—a body of 3,000 cavalry—for the maintenance of order in Kathiawar and in the agency tracts in Gujerat In 1881, this force was abolished and Baroda agreed to pay instead a sum of Rs 3½ lakhs out of the tribute collected by Government on behalf of Baroda In 1886, the subsidy was distributed among the Kathiawar, Mahi-Kantha, Palanpur and Rewa-Kantha Agencies, their respective shares being 1 60, 1 10, 70 and 35 lakhs

The sum of 1 60 mentioned above for Kathiawar together with Rs 15,312 on account of *chowth* recovered from Junagarh was definitely set aside to meet the cost of the reorganized Kathiawar Agency Police Force which took the place not only of the Gaekwar contingent but also of the existing Imperial Police and local police forces maintained in the various *thanas*. This force was reorganised and strengthened from time to time as circumstances demanded. Apart from the usual reasons the growth of expenditure on its account was due, partly to the assumption of increased duties consequent on the opening of railways in Kathiawar and partly to the growth of the Civil Stations. The Government of India only recover from Railway-owning States, (Bhavnagar, Junagarh, Gondal, Porbandar, Morvi, Jamnagar and Baroda) the cost of the Police employed on such Railways as were opened before 1905. The Rajkot and Wadhwan Civil Station Local Funds were relieved in 1922 of the duty of maintaining their Police forces. It will, however, be seen that the gross or the net expenditure on Police has not grown much since 1925-26.

It thus appears that from the sum of 5·90, which is the total nominal cost of the Agency Police, the following deductions should be made before the true cost, which the British-Indian taxpayer has to pay for the maintenance of law and order in this Agency, can be arrived at —

(1) Share of Gaekwar's subsidy for Kathiawar	1 60	} 2 45
(2) Share of Gaekwar's subsidy for Palanpur	70	
(3) Junagarh <i>Chowth</i>	·15	

As regards the cost of policing the Rajkot and Wadhwan Civil Stations which are "administered" areas held on lease, the department's view is that it should be treated as if it was tantamount to the cost of policing regular British-Indian territory. In the case of Railways opened since 1905 its view is the same. We do not agree that these items should be excluded. We may cite the case of Aurangabad where too police expenditure is no longer recovered from the Local Fund. It is, however, a burden on the British-Indian taxpayer in general. Similarly, the fact that the Agency exercises jurisdiction over railway lands does not make them British Indian territory or British area. We thus conclude that the net cost of Police to the British-Indian taxpayer is 3 45 lakhs.

C—*Public Health*—Prior to the formation of the Agency, Public Health expenditure had been debited to Bombay provincial revenues. On the assumption of direct relations it became necessary to provide for this expenditure in the Budget of this Agency from 1925-26 onwards. This accounts for the increase.

D—*Stamps*—In 1924-25, there was some expenditure but it was not shown in the estimates for this agency but under Stamps. In the table, however, we have shown the adjusted figures.

E—*Ecclesiastical Rs 3,000*—This is partly a new charge incurred in 1926-27, for the first time and partly a transfer of expenditure from the head "Political" in the Agency budget in connection with the care of certain cemeteries in the Agency.

F—*Education*—Expenditure on education in 1924-25 was shown in the “subject” demand, and amounted to Rs 3,000 only. The growth is largely a consequence of the five-year programme.

G—*Excise*—The excise arrangements, for which the Government of Bombay were responsible, were transferred to the control of the Agent to the Governor-General with effect from 1st October 1928. Against the expenditure on account of the cost of opium purchased from the Opium Department there are receipts when the opium is sold to the States and Talukas in the Agency, the anticipated receipts on this account during the current financial year amount to 3 82 lakhs.

(5) *Inchcape Committee's proposals*—This Committee recommended that if the States were to have direct relations with the Government of India, “the possibility of uniting Baroda, Kathiawar, Cutch, Mahikantha and Palanpur* under a single Agent to the Governor-General with a view to effecting economies in establishment sufficient to reduce the expenditure to the 1913-14 level” should be explored, and that meanwhile a reduction of at least 1 75 lakhs in the total political budget for Bombay Presidency (excluding Aden) should be effected in 1923-24. It is not known what portion of this reduction was to be in the budgets of the agencies which now constitute the W I S Agency, but presumably most of it was intended to be made in these budgets. (It is the only case in which that Committee recommended a major change of policy.)

(6) *Departmental offer*—The department provisionally offered a saving of 1 68 lakhs on the total budget of 16 83 lakhs. The offer was informal and details were promised later. The information subsequently furnished has been reproduced below—

	Lakhs
	Rs
(1) Under ‘Political’—	
(i) Abolition of 2 posts of Assistant and Deputy Political Agents	190
(ii) 15 per cent reduction in ministerial and menial charges	270
(iii) Reduction in medical charges	180
(iv) Reduction in allowances, contingencies, etc	142
(2) Under ‘Police’—	
Reduction in allowances and Supplies and Services	135
(3) Under ‘Public Health’	010
(4) Under ‘Ecclesiastical’	015
(5) Under ‘Stamps’	005
(6) Under ‘Education’	020
(7) Under ‘Excise’	1 050
	<hr/>
	2 017
	<hr/>

* Meaning presumably Banaskantha Agency and not merely Palanpur State. Palanpur town was and still is the headquarters of the Banaskantha Agency.

[22] We are unable to say whether any part of the reduction of 1.05 offered under Excise is on account of any reduction of excise establishments or of other heads of genuine expenditure and we presume that the whole of it is on account of the cost of opium purchased for supply to States and Estates. If this assumption be correct, the department's offer amounts, in effect, to a genuine reduction of expenditure by only 97.

(7) *Our proposals*—We find that expenditure has grown from 12.11 in 1925-26* to 17.09 in 1930-31 and 16.83 in 1931-32, *i.e.*, by nearly 40 per cent. If expenditure incurred under other heads than the area demand is included, the growth of expenditure is even larger, *viz.*, from 12.99 in 1925-26 to 20.51 in 1930-31 and 20.05 in 1931-32, *i.e.*, by a little under 60 per cent. One of the main avowed reasons for bringing the States of Cutch, Kathiawar and Banaskantha into direct relations with the Government of India was to reduce expenditure, and it was on this specific ground that the Inchcape Committee recommended that "the possibility of uniting Baroda, Kathiawar, Cutch, Mahikantha and Palanpur under an Agent to the Governor-General be explored with a view to effecting economies in establishment sufficient to reduce the expenditure to the pre-war level." That Committee further proposed a budget of eight lakhs for political expenditure in the whole of Bombay Presidency, *i.e.*, for this agency and also for the Mahikantha, Southern Mahāratta and some minor agencies. Even if the reduction proposed by it were to be distributed *pro rata*, and not be reserved exclusively for the Agencies now represented by and constituting the Western India States Agency (see paragraph 5), the 1922-23 budget of 5.97 lakhs for those agencies would be reduced to 4.90. Even if some allowance were to be made for a proportionate share of the provisions for "Miscellaneous" and "Envoys, State Refugees, etc.", the budget contemplated by that Committee for the Western India States Agency would be only about 5½ lakhs. Instead we find that this one Agency alone is now costing nearly 7.15 lakhs. We are aware that these figures are not strictly comparable, but after making allowances we consider that it should be feasible to effect a permanent saving of 3¼ lakhs in the budget of this agency, including the reduction of 1.05 proposed by the department in the provision for Excise. In the absence of the necessary information we are unable to suggest specific directions along which the expenditure can be reduced, we are therefore compelled to leave it to the department to work out its scheme. We may, however, indicate a few broad lines.

(i) The post of Under-Secretary is a recent creation and might be abolished.

(ii) One post of a Political Agent might perhaps be abolished. Now that Palanpur and Radhanpur States deal direct with the Agent to the Governor-General, Banaskantha Agency has very light work. The Political Agent for Western Kathiawar has his headquarters at Rajkot itself. These two facts offer an obviously suitable field for investigation with a view to retrenchment. We think it feasible to effect economy by extending the jurisdiction of the Political Agent for Eastern Kathiawar to a part of Banaskantha, or alternatively, by giving Banaskantha work to Mahikantha.

* The figures for this year have been taken, as the Agency was established in its present form in October 1924.

(iii) The Police Force appears to us to be over-officered. The Mahikantha police force of over 350 men has only a Deputy Superintendent assisted by an Inspector at its head. We, therefore, think that it should be possible to reduce the number of officers for the Western India States Agency police from 5 to at the most 3. We suggest that the Assistant Superintendent's and one of the three Deputy Superintendent's posts should be abolished.

(iv) The status of the principal Police Officer should be reduced to that of a District Superintendent, saving Rs 250 per mensem on account of his special pay.

(v) Similarly even if the Assistant Superintendent's post is retained his special pay* of Rs 150 per mensem as also the special pay* of Rs 100 to the Deputy Superintendents should be abolished.

(vi) Consistently with the line taken by us in the case of Central India, Rajputana, Delhi, etc., the special pay of Rs 250 to the Residency Surgeon for his duty as Chief Medical Officer and the allowance of Rs 75 for the supervision of *thana* dispensaries should be abolished. The Residency Surgeon's post would still continue to be a coveted one on account of the opportunities for lucrative private practice among the States which would still continue to be available.

(vii) We may, however, add that the grants from central revenues for Education and Public Health are already very meagre (Public Health Rs. 9,000 and Education Rs 18,000) and therefore in our opinion no reduction of these grants should be effected. We are not prepared to support the department's offer of Rs 3,000 under these heads.

(viii) A share, say one-half or one-third, of the cost of the Judicial Commissioner should be debited to Ajmer-Merwara, even if the post cannot be abolished, its reduction to the I C S scale *plus* a special pay should be considered. It should be thrown open to officers of the provincial judicial services and to the bar. We may add that the Judicial Commissioner of Sind is an officer drawn from the bar.

(ix) The status of the Engineer might be reduced to that of a District Engineer. His pay is in fact recovered from local funds. We understand that his duties are not as onerous as those of the average Executive Engineer.

(x) Reduction of establishments in excess of that proposed by the Department (*vide* paragraph 6) appears to us to be practicable, but we cannot suggest a detailed scheme of reduction, since we do not know the relationship between expenditure from central revenues and from local funds.

(xi) The reduction we propose will leave the budget of this Agency under all "area" heads other than Excise at a little over 10 lakhs. Though this is 2 lakhs below the 1925-26 budget for the same heads, it compares very favourably with the budget proposed by the Inchcape Committee.

* These special pays to police officers appear to have been granted with effect from 1928-29.

(*xx*) Further, we presume that against any decrease in the provision for the purchase of opium there will be a corresponding, though perhaps not equivalent, fall in Excise receipts. Under the circumstances we are content to accept the department's offer to reduce the expenditure for 1931-32 by 1·05 lakhs.

(8) *Summary of savings* —3·25 lakhs including 1·05 lakhs under Excise.

CHAPTER XI

POLITICAL—"NON-AREA"

INTRODUCTION

(1) *Explanation of grant*—The expenditure classified as "Political" is of a very heterogeneous character. Besides expenditure on the maintenance of Residencies and Political Agencies at the courts of or in connection with the Indian States, it includes (a) diplomatic and consular charges in Persia, Arabia, Afghanistan, Eastern Turkestan, Tibet, Aden and elsewhere, (b) charges for organising the Indian States Forces, (c) the cost of the Malwa and the Mewar Bhil Corps, (d) in some of the frontier areas, expenditure which in the provinces would be classified as the cost of General Administration and (e) miscellaneous expenditure, e.g., on subsidies, trade agencies, refugees and State prisoners, educational institutions for Princes and Chiefs, etc.

Political expenditure relating to the various "Central" areas is shown in the respective "area" grants and has been dealt with under those grants. The rest of the political expenditure of the Government of India, i.e., expenditure on political agencies in some of the Indian States, charges on account of diplomatic and consular services in Arabia, Persia and Afghanistan, the Aden political agency and certain trade consulates, charges for organising the Indian States Forces, expenditure on the Malwa and Mewar Bhil Corps and certain classes of miscellaneous political expenditure is provided for in a "non-area" grant of 97 97 lakhs. We shall deal with this expenditure in chapters XII to XXIII.

(2) *Progress of expenditure*—The following tables show the progress of political expenditure (A) total political (i.e., "area" and "non-area"), and total Frontier Watch and Ward expenditure and (B) non-area political expenditure.

TABLE A

Total expenditure ("area" and "non-area") under Political and Frontier Watch and Ward

	1924- 25	1925- 26	1926- 27	1927- 28	1928- 29	1929- 30	1930- 31	1931- 32
<i>Expenditure in India Present Head "Political"</i>								
Political Agents	74 14	72 53	75 43	82 51	82 28	82 18	90 52	86 75
Allowances to tribes	8 45	8 15	8 03	8 47	8 25	8 42	8 41	8 39
Diplomatic and Consular services in Persia	14 48	16 61	9 23	9 23	10 32	9 19	8 74	8 88
Political subsidies	4 18	4 17	4 18	4 22	4 50	4 52	4 50	4 50
Entertainment charges	4 88	6 18	5 29	5 68	5 38	5 12	6 93	5 02
Refugees and State prisoners	4 16	4 37	3 75	3 70	3 60	4 08	3 57	3 42
Special political expenditure	10 00	10 17	10 04	10 64	10 00	10 05	49 89	10 00
Indian States Forces	4 61	5 10	5 71	5 76	5 97	5 91	6 00	6 47
Lighting and buoying of the Persian Gulf	3 13	46	— 15					
South Persia Military Police	05	24	— 02	01				
Miscellaneous Works	15 38 50	16 02 38	12 65 2 56	15 39 1 33	11 39 2 43	14 15 3 18	14 32 3 60	14 52 4 18
Total ..	143 96	144 38	136 70	146 94	144 12	146 80	196 48	152 13

<i>Present Head "Frontier Watch and Ward"</i>	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32
Frontier Constabulary and Militia	183 27	190 12	189 98	191 11	187 39	190 93	198 03	191 80
Other charges, excluding Works	7 04	8 94	12 09	9 65	7 52	7 52	8 56	7 92
Works	*	*	*	47 94	58 30	69 94	71 16	52 63
	190 31	199 06	202 07	248 70	253 21	268 39	†277 75	252 35
<i>Expenditure in England</i>								
Political	11 15	14 37	14 42	10 81	14 16	15 10	11 88	12 76
Frontier Watch and Ward				98	1 17	95	80	1 10
Deduct—Recoveries from the Foreign Office	—9 22		—4 72					
Total	336 20	357 81	348 47	407 43	412 66	431 24	486 91	418 34

* In these years, Frontier Watch and Ward works expenditure was mixed up with other civil works expenditure and cannot be separated

† This is 1 00 lakh higher than the figures adopted by Finance Department, due presumably to the fact that a cut of that amount for probable savings has been left out from the estimates

TABLE B
"Non-area" Political Expenditure

	1924-25	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32
<i>Account I—Political Agents</i>							
A—Aden	4 98	5 29	6 86	4 50	4 21	5 08	4 88
B—Other Agencies and Residences	26 14	29 86	29 70	31 39	31 60	32 57	32 41
C—Deduct charges recovered from Other Governments, Indian States, etc	—2 13	—2 54	—2 60	—2 26	— 71	— 72	— 69
<i>Account II—Other expenditure heads</i>							
A—Charges on N-W Frontier (Allowances to Dera Ghazi Khan tribes)	13	13	13	13	13	13	13
B—Charges on N-E Frontier	1 04	1 19	1 09	1 11	1 07	1 12	1 12
C—Charges on account of diplomatic and consular services in Persia	14 48	9 23	9 23	10 32	9 19	8 73	8 59
D—Other diplomatic charges	4 84	4 98	6 31	5 59	3 00	4 07	4 04
E—Political subsidies	3 06	3 06	3 09	3 07	3 09	3 07	3 07
F—Entertainment charges	83	88	1 46	1 11	41	38	40
G—Refugees and State Prisoners	3 19	3 48	3 39	3 29	3 57	3 21	3 15
H—Special Political expenditure	10 00	10 04	10 64	10 00	10 05	49 89	10 00
I—Indian States Forces	4 61	5 71	5 76	5 97	5 91	6 00	6 44
J—Works	56	2 31	1 33	1 68	2 99	3 57	4 18
K—Miscellaneous	14 00	7 48	10 91	6 85	9 39	8 25	7 49
Lighting and buoying in Persian Gulf	3 13	— 15					
<i>Account III</i>							
A—Expenditure in England	*	7 24	10 74	14 13	14 87	11 73	12 76
B—Loss or gain by Exchange	*	2 46	04	03	11	15	
Total	88 86	90 65	98 08	96 91	98 88	137 23	97 97

* Separate figures not available

We may perhaps explain that prior to 1927-28 "Political" expenditure used to include expenditure relating to Burma and Assam which is now being shown under the head "Frontier Watch and Ward". For the presentation of comparable figures, "Watch and Ward" expenditure has been shown separately in Table A, the totals of which can claim to present as accurate a picture of the growth of expenditure as the radical accounting changes mentioned above would permit.

It is also necessary to explain that the total figures of political expenditure include provisions for payments in England, whether they refer to stores, or sterling overseas pay, deputation and leave pay or payments to His Majesty's Government.

(3) *Differentiation between "Foreign" and "Political"*—The entire expenditure classed as Political in addition to other expenditure in the central areas with the exception of Delhi and Andaman and Nicobar islands is under the control of the Foreign and Political Department. "Political" (including Frontier Watch and Ward) expenditure forms about 64 per cent. of the total budget under the department's control.

The Foreign and Political Department has a staff of one Secretary and one Deputy Secretary for each of its two main sections, viz, (a) Foreign and (b) Political. It has also two Under Secretaries and two Assistant Secretaries. The Department functions as one whole under the direct charge of the Governor-General and Viceroy. For administrative convenience its work is transacted in sections, but owing to the reactions of foreign and political policies on each other it is considered inexpedient to cut it into two separate departments. Subject to this explanation it may be stated that the Foreign Section of the department deals with diplomatic, political and trade relations on or beyond the frontiers of India and the administration of central areas on the Frontier, whereas the Political Section deals with political relations with the Indian States and the administration of certain central areas not situated on the frontier. (Two central areas, viz, Delhi and Andamans are under the Home Department.) But there are some exceptions. The following statement shows which section is in charge of the various classes of the work of the Foreign and Political Department—

- (I) *Foreign*—(i) North-West Frontier Province and Baluchistan—viz, administration, Watch and Ward and political relations within these minor administrations—and the Kashmir frontier
- (ii) Frontier Watch and Ward in Burma and Assam,
- (iii) Aden, Persia, Arabia, Afghanistan, Nepal, Tibet, Bhutan, and
- (iv) the consulates, etc, beyond the frontier
- (II) *Political*—(i) The Indian States comprised in the Indian Empire including Kashmir

(Note—The Political Agency at Gilgit in Kashmir State is subordinate to the Residency at Kashmir.)

- (ii) the administration of certain central areas, viz, Ajmer-Merwara, the Civil and Military Station of Bangalore and "central" or "administered" areas in Rajputana, Central India, Hyderabad,

Western India States Agency and other Residencies and Political Agencies,

- (iii) the organisation of Indian States Forces,
- (iv) Mewar and Malwa Bhil Corps,
- (v) Excise compensations to States, and
- (vi) Chiefs' Colleges

(4) *Functions of Residencies and Political Agencies* —Broadly speaking, the functions of Residencies and Political Agencies are what might be called the functions of the diplomatic and consular services. But, since the Indian States are not sovereign independent entities, occasions arise when the paramount or suzerain power has to discharge functions, not all of which are definable. Perhaps the most important and frequent case of this type is administration during minority. In several of the smaller states, jagirs, taluqas and estates the political officers have to discharge judicial and occasionally even the ordinary administrative functions on behalf of the state or estate concerned. Finally, they are charged with the administration of assigned tracts and of certain areas, which though not British-Indian territory are administered direct by the Central Government. Generally speaking, these consist of cantonments, civil stations, combined civil and military stations and railway lands. Some of them are of considerable importance, e.g., Bangalore, Secunderabad, Mount Abu. In Baluchistan the Political Agents are also Deputy Commissioners and in the latter capacity administer regular British-Indian districts. Ajmer-Merwara is also administered by officers under the control of the Foreign and Political Department, even though like Delhi it is a British-Indian "province".

(5) *The Services* —The Political Department cadre is recruited principally from the I. C. S. and the Indian Army. To a certain extent British officers of the British Army are also recruited. For the subordinate political posts officers are recruited either direct or from the various provincial civil services. Such officers are eligible for promotion to superior posts, but such promotion is very occasional. The total sanctioned strength of the Political Department cadre including various reserves is 175, or including 6 posts under the Government of Bombay, 181. The actual strength on 2nd January 1932 against a sanctioned strength of 175 was 147 plus 16 officers outside the cadre plus some "seconded" officers. The cadre consisted of 9 Residents of the First Class (8 on Rs. 4,000 and one, viz., the Chief Commissioner and the Agent to the Governor-General, North-West Frontier Province on Rs. 5,500), 9 Second Class Residents on Rs. 3,000 p.m., 53 superior appointments on the time-scale of the Political Department, viz., Rs. 500—2,250 plus overseas pay, and 39 inferior appointments on the same time-scale. Of the time-scale appointments two are reserved for the members of the Provincial Civil Service, North-West Frontier Province. In Appendix No. V we reproduce extracts from the Quarterly List of the Foreign and Political Department which gives some more detailed information on this point.

Besides these political appointments there are certain medical appointments under this department's control. Broadly speaking, these are filled from the cadres of the Indian Medical Service and the Indian Medical Depart-

ment. Most of these appointments are as Residency, Agency or Civil Surgeons or as Assistant Surgeons, but in exceptional cases some medical officers hold charge of jails or perform consular and diplomatic duties exclusively or in addition to their own duties.

There are a number of miscellaneous posts for the administration of Police, Justice, Jails, Revenues, Public Works Department, Education, Medical, Public Health, Ecclesiastical and similar activities. These will be described, as far as possible, in their relevant connections. Broadly speaking, the officers are borrowed from the provinces.

Although expenditure on Aden appears in the "non-area" grant (Bombay Circle of Account) in 1931-32, we observe that Aden has now appeared as one of the "areas" in the 1932-33 Detailed Estimates. We have therefore assigned a separate chapter to it.

APPENDIX V

Strength of the Political Department Cadre

Appointment with pay	Number sanctioned	Number on 1st July 1931	Remarks
Residents, 1st class, Rs 4,000 (except Chief Commissioner and Agent to the Governor-General in the North-West Frontier Province) whose pay is Rs 5,500	9	7	These are localised appointments with fixed tenure of 5 years
„ 2nd class, Rs 3,000	9	8	
Appointments on time-scale (Rs 650—2,550)—			
Superior*	53	45(a)	*Excluding 3 appointments under the Government of Bombay
Inferior†	40	32(b)	†Excluding 3 appointments under the Government of Bombay
<i>Deduct</i> —2 appointments on time-scale (Superior or Inferior in the North-West Frontier Province) reserved for the members of the Provincial Civil Service	2		
Total cadre posts to be filled by officers of the Political Department	109	92	
Deputation Reserve	18	18‡	‡Excluding seconded officers
Leave Reserve	38	37	
Training Reserve	11	10	
In transit			
Total Strength	176	157	

(a) *Superior* —The following three appointments are filled temporarily by non-Political Department Officers —

1. Political Agent, Koweit	Mily Assistant Surgeon A L. Greenway
2. Consul-General, Kashgar .. ..	.. Captain G Sherriff, R A
3. Political Agent, South Waziristan	. Bt Major H. H. Johnson.
4. Assistant Commissioner, Mardan	.. Vacant
5. Resident, Western Rajputana States	. Vacant.
6. Political Agent, Bundelkhand	. Vacant.
7. Consul, Kerman	Vacant.
8. Political Agent, Chagai and Deputy Commr, Shorabad	Vacant

(b) *Inferior* —The following 6 appointments are filled temporarily by non-Political Department Officers —

- | | | |
|--------------------------------------------------|-----------|-------------------------------------------------------|
| 1. Vice-Consul, Bandar Abbas | .. | Military Assistant Surgeon G. A. Richardson,
O.B.E |
| 2. Vice-Consul, Mohammerah | .. | Mr H G Jakins |
| 3. Under Secretary to A G. G , Baluchistan | . | Lieutenant O. C. B. St John |
| 4. British Trade Agent, Yatung | . | <i>Vacant.</i> |
| 5. Assistant Political Agent, Chitral | . | Captain W V Crapp. |
| 6. Under Secretary, Persian Gulf | | Mr J Croning. |
| 7. Senior Sub-Judge, Hazara | . | M Muhammad Akbar Khan. |
| 8. Assistant Political Agent and
Commr., Sibi | Assistant | <i>Vacant</i> |

N B —The normal figure of recruitment is approximately two members of the Indian Civil Service every year rising to three every third year and six military officers to be reduced by one every third year

Resident, 1st class (9).

- | | |
|-------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| 1 Resident, Hyderabad | 6 Chief Commissioner and Agent to the
Governor-General, North West Frontier
Province |
| 2 Resident in Mysore | |
| 3 Agent to the Governor General in Central
India | 7 Political Resident in the Persian Gulf |
| 4 Agent to the Governor General, Raj-
putana, and Chief Commissioner,
Ajmer-Merwara | 8 Agent to the Governor-General in the
States of Western India |
| 5 Agent to the Governor General and Chief
Commissioner, Baluchistan | 9 Agent to the Governor-General, Punjab
States |

Resident, 2nd class (9).

- | | |
|----------------------------------------------------------|------------------------------------------------------|
| 1 Resident at Baroda | 6 Revenue and Judicial Commissioners,
Baluchistan |
| 2 British Envoy at the Court of Nepal | |
| 3 Resident in Kashmir | 7 Resident in Waziristan |
| 4 Judicial Commissioner, North-West
Frontier Province | 8 Resident at Gwalior |
| 5 Revenue Commissioner, North-West
Frontier Province | 9 Agent to the Governor-General, Madras
States |

Superior posts on the Political Department Cadre (53).

- | | |
|----------------------------------------------------------------------------|-----------------------------------------------------------|
| <i>Hyderabad (1)</i> | 10 Resident, Jaipur |
| 1 Secretary, Hyderabad | 11 Resident in Mewar, Udaipur |
| <i>Mysore (1)</i> | 12 Political Agent, Eastern Rajputana States |
| 2 Secretary, Mysore | 13 Commissioner, Ajmer-Merwara
<i>Baluchistan (7).</i> |
| <i>Central India (5)</i> | 14 Secretary, Baluchistan |
| 3 Secretary, Central India | 15 Political Agent, Quetta |
| 4 Political Agent, Baghelkhand | 16 Political Agent, Sibi |
| 5 Political Agent, Bhopal | 17 Political Agent, Kalat |
| 6. Political Agent in the Southern States
of Central India and in Malwa | 18 Political Agent, Zhob |
| 7 Political Agent, Bundelkhand | 19 Political Agent, Loralai |
| <i>Rajputana (6)</i> | 20 Political Agent, Chagai |
| 8 Secretary, Rajputana. | <i>N-W F Province (16).</i> |
| 9 Resident, Western Rajputana States | 21. Secretary, North-West Frontier Province. |

- 22 District and Sessions Judge, Peshawar
- 23 District and Sessions Judge, Dera Ismail Khan
- 24 Political Agent, Dir, Swat and Chitral, Malakand
- 25 Senior Sub-Judge, Peshawar
- 26. Additional District and Sessions Judge, Peshawar and Hazara
- 27. Political Agent, Khyber
- 28 Political Agent, Kurram
- 29 Political Agent, North Waziristan
- 30 Political Agent, South Waziristan
- 31 Deputy Commissioner, Peshawar
- 32 Assistant Commissioner, Mardan
- 33 Deputy Commissioner, Hazara
- 34 Deputy Commissioner, Kohat
- 35 Deputy Commissioner, Bannu
- 36 Deputy Commissioner, Dera-Isma'il Khan

Persian Gulf (5)

- 37 Secretary, Persian Gulf
- 38 Consul, Kerman
- 39 Political Agent, Muscat
- 40 Political Agent, Koweit
- 41 Political Agent, Bahrein

States in Western India (4)

- 42 Political Agent, Banas Kantha Agency.
- 43, Political Agent, Western Kathiawar Agency
- 44 Political Agent, Eastern Kathiawar Agency
- 45 Secretary to the Agent to the Governor-General in the States of Western India

Punjab States (1)

- 46 Secretary to the Agent to the Governor-General, Punjab States

Gilgit (1)

- 47 Political Agent, Gilgit

Khorasan (1)

- 48 Consul-General, Khorasan

Sistan (1)

- 49 Consul, Sistan

Sikkim (1)

- 50 Political Officer, Sikkim

Kashgar (1)

- 51. Consul-General, Kashgar

Foreign and Political Department (2)

- 52 & 53 Two Deputy Secretaries

Superior posts on the Political Department Sub-cadre, under the administrative control of the Government of Bombay (3)

- 1 Resident at Kolhapur and Political Agent, Southern Mahratta Country States
- 2 Political Agent, Mahi Kantha
- 3 First Assistant Resident at Aden

CHAPTER XII

Gwalior Residency (76 Lakh)

(1) *Introductory*—This Residency is charged with the conduct of political relations in the entire northern section of the western portion of Central India extending from the Chambal on the north to Bhilsa on the south and from Bundelkhand and the Jhansi district on the east to the Rajputana Agency on the west. The Resident deals direct with the Foreign and Political Department. Gwalior is the largest treaty State in Central India and one of the first half a dozen in India. Besides Gwalior the Resident's charge includes portions of certain other States.

The Gwalior Residency is an area measuring 1 17 square miles situated close to the cantonment of Morar, about four miles to the east of Gwalior and includes three villages. This area is administered by the Resident.

Expenditure and analysis of its growth.—The following table shows how the expenditure has varied —

—	1913-14	1922-23.	1924-25.	1926-27	1927-28.	1928-29	1929-30	1931-32
Pay of Officers	39	32		44	46	43	43	43
Pay of Establishment	11	13		11	11	12	13	16
Allowances	03	04	.	05	06	05	03	05
Supplies and Services	} 05	09		34 {	07	07	07	06
Contingencies					07	07	06	06
Deduct—Recoveries	— 07	— 03	..	..			.
Total	51	55	71	94	77	74	72	76

The expenditure on this Residency was 52 and 93 lakh (including "Works") in 1913-14 and 1924-25, respectively, the corresponding provision in the current year is 96. The growth is due to the addition of a clerk and a servant, cost of Lee concessions, and additional grant for the maintenance of the Residency gardens and of furniture. The expenditure on "Works" and "Contingencies" is, however, less than in 1924-25.

Organisation—The Residency staff consists of a Resident (on Rs 3,000), a part-time Surgeon for the Residency and an Indian Assistant (on Rs 300–500 plus a special pay of Rs 50). Establishments consist of 11 clerks and 8 servants, in 1926-27 there were 8 clerks and 7 servants. The Civil Surgeon of Jhansi works as Residency Surgeon and gets an allowance of Rs 100 p m for periodical visits to Gwalior. (The abolition of the Residency Surgeon's post was proposed by the department in 1922-23 but finally the decision was to keep the post in abeyance.)

(2) *Our proposals.*—The department has offered to reduce the expenditure by 07 lakh including 05 on the provision for Works which we shall deal with separately. The abolition of the allowance of Rs 100 p m to the Civil Surgeon of Jhansi and of the posts of a clerk and a servant appear to be the remaining items of retrenchment. We do not consider the offer of 02 adequate. By deleting the provisions for compensation for dearness of provision

and grain compensation allowance and further reduction under supplies and services and contingencies it should be possible to effect a saving of 05 and we recommend accordingly

MYSORE RESIDENCY (2 00 LAKHS)

(3) *Introductory*—This Agency is in charge of a Resident of the First Class on a pay of Rs 4,000, who is also Chief Commissioner of Coorg and is responsible for the administration of the Civil and Military Station at Bangalore with a population of 134,113 Mysore and Baroda rank second among the Indian States. The Resident is assisted by a Secretary, an Assistant Secretary on Rs 800—1,000 and a part-time Personal Assistant in receipt of a special pay of Rs 100. Besides these officers a Residency Surgeon is also maintained. Officers' pay costs 1 09 lakhs. Establishments consist of 34 ministerial and 31 inferior posts and cost 40 lakh, including a provision of Rs 1,400 for temporary establishment.

Expenditure—The cost of the Mysore Residency including "Works" has grown from 1 33 lakhs in 1913-14 and 1 70 in 1922-23 to 2 20 in 1931-32. The following tables show its progress. It will be seen that the growth took place mainly in the provision for the pay of officers. Staff too has grown appreciably.

TABLE A

Expenditure (other than that on "Works")

	1913-14	1922-23	1924-25	1926-27	1927-28	1928-29	1929-30	1931-32
Pay of Officers	82	94	1 75	87	90	92	94	1 09
Pay of Establishments	19	32		41	43	45	45	40
Allowances	07	13		16	22	22	27	23
Supplies and Services	14	08		26	14	10	15	16
Contingencies	11	20		16	23	18	20	19
Deduct—Recoveries	— 04			— 06	— 06	— 05	— 06	— 07
Total	1 29	1 67	1 75	1 80	1 86	1 82	1 95	2 00

TABLE B

Staff

<i>Strength—</i>							
Officers	.	.	3	3	3	4	
Clerical			28	31	32	34	
Menial			29	27	29	31	

A part of this expenditure is recovered from the revenues of the assigned tract of Bangalore, some details of the existing arrangements have been given in the following paragraph—

Analysis of its growth—Including works the expenditure in 1924-25 was 1 3 lakhs and the corresponding provision for 1931-32 is 2 20 lakhs. It appears, however, that the current budget provision has been reduced to 2.16 lakhs. Even then the expenditure has grown by .28

- (1) The creation of certain new posts—an Assistant Secretary on Rs 800—40—1,000, a Superintendent, on Rs 250—350, six ministerial posts and a Dafadar—compensated by the abolition of the Registrar's post (on Rs 400—20—600), added 13 net to the cost

(ii) Charging of a portion of the pay of a Superintendent of the Pay and Accounts Office, Bangalore, and the transfer of a clerk's pay from "32—Medical" to "29—Political" were mere accounting changes

(iii) The minor reasons for increased expenditure were —

Additional grant (Rs 2,280) for care and repair of Residency house and gardens, cost of the Lee passages (Rs. 1,100), temporary weeding establishment (Rs 1,400), increased provisions for the maintenance of a second motor car (Rs. 1,310), and under (a) travelling allowance (Rs 7,900), (b) Contingencies (Rs. 8,760), and (c) Works (Rs 2,730)

The total increase amounts to Rs. 38,430, against which there is an offset of Rs 10,228, viz, Rs 3,080 by increased contribution from the assigned tract revenues on account of the additional staff and Rs 7,148 on account of transfer of the provision for sterling overseas pay to the High Commissioner's budget and the posting of junior officers

(4) *Retrenchment proposals* —The Department has offered to reduce the expenditure by 20 lakh. We are not aware of the details, but, it seems, the abolition of the Assistant Secretary's post and two clerical appointments is contemplated by the department. In our opinion a saving of at least 38 lakh is feasible and should be effected

Our specific suggestions are —

(i) We have carefully considered the question whether a Surgeon is required for the needs of this Residency and for Bangalore of which it is claimed that he is in effect the Civil Surgeon (Coorg is expected to make its own medical arrangements). As explained by us in some detail in the case of Hyderabad, we consider it no longer necessary to attach surgeons to political agencies as a matter of course. We endorse the view held by those of us who have had occasion to visit Bangalore that this tract also does not require the services of such a costly medical officer maintained at the expense of the central revenues. Bangalore itself is a sanatorium with a salubrious climate and such medical aid as the Residency staff may need can be obtained from the local hospitals. Further, we presume that army surgeons are also available there. In the last resort it may be practicable to enter into an arrangement with the Mysore State, whereby in case of real necessity the services of the medical staff entertained by that State can be made available on reasonable terms to the Residency staff. As a counter-arrangement we have no objection to a Surgeon of somewhat higher status than the medical officers at present employed from Bangalore revenues being entertained for Bangalore proper. For the present, however, we recommend the abolition of the Residency Surgeon's post, saving 25 of which two-thirds, i.e., 15 will be a real saving to central revenues. If Bangalore must have a Civil Surgeon, the cost of keeping one should be charged to the revenues of the Assigned Tract.

- (ii) The post of an Assistant Secretary on Rs 800—1,000 can in our opinion be abolished without any risk, saving Rs 9,800 of which two-thirds will be a real saving to central revenues. We note that this measure is in the department's contemplation.
- (iii) Further, we observe that the establishment which was 57 in 1926-27 and 61 in 1930-31 has now grown to 65. There is also a provision of Rs 1,400 for temporary establishment. The department contemplates a reduction of two posts, we think this is not enough. A ten per cent reduction should be effected, saving 04 lakh.
- (iv) The provision of Rs 6,000 for sumptuary allowance appears to us to be excessive and should be cut down to Rs 3,000. As regards the provision of Rs 15,800 for travelling allowance, the department justifies it on the ground that the Resident has to visit Coorg (158 miles from Bangalore) frequently and to keep in touch with the chief officials of Mysore State and the Government of Madras at Ootacamund and that he has also to visit the Government of India headquarters at least once a year. We consider that there is considerable room for economy here, and we recommend that the provision should be reduced by Rs 3,000.
- (v) The provisions of Rs 16,400 under 'Supplies and Services' and Rs 18,800 for 'Contingencies' should also be reduced by 03 each.
- (vi) Our proposals will reduce the expenditure by over half a lakh. We shall, however, be content if the Department gives effect to our proposals so as to save at least 38 to central revenues.

(5) *Proposals regarding (a) Coorg and (b) Bangalore* —(a) So far as we are aware, nothing is now recovered from the provincial revenues of Coorg in respect of the pay, etc., of the Resident (in his capacity as Chief Commissioner) or of his staff. Under the amended Devolution Rules, Coorg enjoys a special constitution with a division between "central" and "provincial" subjects. On the analogy of the contribution which the revenues of the Assigned Tract have to make to the central revenues towards the cost of the Residency we recommend that the question of levying a contribution from Coorg also should be examined. Although we have no specific details to cite in support of our proposals, we consider that the contribution from Coorg should not be less than that of Bangalore. We may in fact refer to the Devolution Rules, which at first contemplated the levy of a contribution from Coorg revenues. This contribution appears to have been remitted with effect from 1926 or thereabouts. The entire position should be re-examined in connection with the place to be assigned to Coorg in the new constitution.

(b) The Inchcape Committee had recommended that the question whether the proportion of one-third recoverable from the assigned tract of Bangalore in respect of the cost of its administration by the Resident and his staff was sufficient payment for the actual cost of its administration should be examined. Under the existing arrangements one-third of the total budget cost under head "29—Political—Mysore" excluding the pay of the Assistant Secretary, Confi-

dential Assistant and the cost of maintaining Protestant cemeteries and isolated graves in Mysore State is debited to the revenues of the Assigned Tract. As regards the Assistant Secretary, two-ninths of his pay, and in the case of the Confidential Assistant one-half of his pay are recoverable from those revenues. The department claims that the distribution of the Residency charges between the Residency on the one side and the revenues of the Assigned Tract on the other was based on the broad principle that the work of the Resident and his staff might fairly be divided into three parts, (i) political, relating only to Mysore State, (ii) the administration of Coorg and (iii) the administration of the Assigned Tract. The department's objections to the exploration of the feasibility of a more accurate assessment of the work are that the Government of Mysore are not likely to agree to any such proposal and that in any case a revision of the terms of the existing settlement cannot be made before 1934-35. We consider that it is the department's duty to negotiate with the Durbar if there is, as we think there is, a good case for negotiation. We cannot accept the department's view that the Government of Mysore are not likely to agree to a revision of the present arrangements, if they are shown to be unfair to the Indian tax-payer.

As regards the second contention, we may explain that even if the existing settlement cannot be changed before 1934-35 there is no reason why negotiations should not be started at once with a view to its alteration on a more equitable basis. *Prima facie*, we are inclined to think that the strictly political share of the Residency expenditure should be much less than it is under the present arrangements. Our definite recommendation therefore is that this whole question including the desirability of maintaining a Civil Surgeon for Bangalore out of the revenues of the Assigned Tract should be explored afresh.

NEPAL (1 56 LAKHS)

(6) *Introductory*—Under treaty arrangements an Envoy is maintained by the Government of India at the Court of Nepal, and by the Government of Nepal at the headquarters of the Government of India. The functions of both the Envoys are those of diplomatic representatives.

Expenditure—The following table shows how the expenditure has grown from 76 in 1913-14 to 1 65.—

	1913-14	1922-23	1924-25	1926-27	1927-28	1928-29	1929-30	1931-32
Pay of Officers	51	53	1 06*	56	64	66	63	63
Pay of Establishment	13	24		79	74	63	57	50
Allowances	06	14		08	10	09	20	22
Supplies and Services	01	08		01	04	12	09	07
Contingencies	06	14		10	09	08	21	14
Deduct—Recoveries	— 01	— 01		— 01	— 01			
Total	76	1 12	1 06*	1 51	1 60	1 58	1 70	1 56

* Includes Works, the corresponding 1931-32 provision is 1 65.

In return for assistance rendered during the European War an annual present of ten lakhs is also made to the Government of Nepal, the Department claims that this payment is permanent and cannot be reduced.

Analysis of its growth—Including the cost of Works, the expenditure has grown by 59 since 1924-25. Out of this an increase of Rs 55,800 is due to the

transfer of the cost of the Nepal Escort from the military to the political estimates. Cost of Lee passages (Rs. 2,400), education of medical students from Nepal at the Medical College, Calcutta, of which the Government of India have agreed on political grounds to bear the cost (Rs. 4,000), payment of customs duty on arms and ordnance stores supplied to the Nepal Government (Rs. 4,100), and the payment of increased emoluments on account of the revision of pay, accrual of increments, grant of special pays and increased compensatory allowances account for an additional expenditure of Rs. 17,360. Against the total increase of Rs. 73,160, there is an offset of 14, viz., 09 medical and hospital stores, 02 maintenance and renewal of Legation furniture, 02 tour charges and contingencies, and 01 purchase and repair of tents.

Organisation — Only three officers are maintained, viz., (i) the Envoy, an officer of the status of a Resident of the Second Class and borne on the Political Department's cadre, (ii) a Surgeon on a pay of Rs. 1,500 plus a special pay of Rs. 150 and (iii) a Training Officer for the Nepal Escorts. The training officer is annually deputed for six months and the Escort is said to be maintained for ceremonial occasions. It costs 29 lakh on account of the pay of the ranks and 56 lakh in all. This expenditure used to be borne on the military estimates up to 1925-26, when it was transferred to "Political."

The 1931-32 provisions for the ministerial, menial and medical establishments are 17, 02 and 01 lakh respectively, we do not know the numbers.

(7) *Proposals* — The Inchcape Committee had accepted the departmental proposal to reduce the expenditure by Rs. 14,700 and recommended a budget of 93 lakh, in addition to the annual present of ten lakhs.

The Department has offered to reduce the expenditure by 04 lakh. We presume that the principal item of retrenchment in the departmental scheme is to curtail the period of appointment of the Training Officer from six to three months.

We consider the departmental scheme for retrenchment inadequate. Our own recommendations are —

- (i) The Escort costs 56 lakhs in all, out of which 47 is for pay and allowances. We were informed that the question of reducing the strength of the Escort or of replacing it by a small detachment of regular troops was examined and was dropped on the grounds that the Escort has been maintained at its present strength for many years and that the Nepal Government would be opposed to its reduction. The department based its decision on political reasons. But in the present acute financial difficulty we do not consider such heavy expenditure for purely ceremonial purposes justifiable. In view of the opinion expressed on this question we do not propose to go so far as to recommend its abolition. We do, however, think that the expenditure on the Escort proper should be cut down by at least one-half, saving 25 out of the provisions other than that for the Training Officer's pay.

We have considered the reasons adduced by the Department in support of the deputation of the Training Officer to Nepal. We are, however, not satisfied that it is really necessary to depute a Training Officer annually for six or, as is now proposed, three months. We recommend that the entire provision of Rs 6,400 on account of his deputation be deleted, at least for some years.

On our proposals there will be a reduction of expenditure by 31 lakh

- (vi) Even when a deduction of 56 for the Escort is made, the provision for 1932-33 still amounts to a little over a lakh. The corresponding actual expenditure in 1929-30 was approximately 1 14. We have already referred to the Inchcape Committee's proposal that including the cost of "Works" the expenditure on this Legation should be brought down to 93. We recommend that the department should review the expenditure so as to bring it down to 1 20 lakhs (including 25 for the Escort, but excluding "Works"). A perusal of the analysis of the growth of expenditure shows that, *inter alia*, the additional provisions, since 1922-23, on account of special pays, duty allowances and compensatory allowances, might usefully be scrutinised afresh.

The budget recommended by us, *viz*, 95 for expenditure other than that on the Escort will still give the department over 10 more than the budget contemplated by the Inchcape Committee. Total savings 36.

BARODA (1 02 LAKHS)

(8) *Introductory*—Baroda and Mysore rank second among the Indian States and the Baroda Residency is among the oldest in India. Under a treaty concluded in 1805 Baroda accepted a subsidiary force and ceded certain districts for its maintenance. This treaty also provided that the foreign policy of the State including its relations with the Peshwa should be conducted by the East India Company. The claims of the Peshwa on the Gaekwar pending since 1807 were opened afresh in 1816 and, through British intervention, a treaty was signed in 1817, which made Baroda independent of the Peshwa.

Expenditure—The expenditure on the Baroda Residency has grown as below—

	1913-14	1922-23	1924-25	1926-27	1927-28	1928-29	1929-30	1931-32
Pay of Officers		66	1 12	62	51	51	51	50
Pay of Establishment		40		33	33	33	37	38
Allowances		04		06	02	02	05	04
Supplies and Services		10						03
Contingencies				13	18	11	12	07
Total	86	1 20	1 12	1 14	1 04	97	1 05	1 02

Analysis of its growth—The staff of this Residency has not grown in recent years. Compared with 1924-25 there is a decrease of Rs 9,112. The posting of junior officers and the transfer of the provision for sterling overseas pay to the High Commissioner's budget account for nearly 15 out of the 16 gross decrease of expenditure. On the other hand the entertainment of an English teacher, two masters, a mistress, weeding establishment and revision of pay and

the accrual of increments have led to an increase of expenditure by a little over Rs 5,000. Similarly, the provision for purchase and repair of furniture has increased by Rs 1,200 and that for Secret Service by Rs 100. On the whole, there is a net decrease of expenditure, as explained above, by Rs 9,112.

Organisation —There are only three political officers, viz., a Resident of the second class, an Assistant Resident (Rs 550—600) and an Indian Assistant (Rs 300—500 *plus* a duty allowance of Rs 75). A medical officer attached to the cantonment gets an allowance of Rs 50 per mensem in respect of the medical charge of the Residency. Establishments—clerical, medical, educational and inferior—number 42.

Inchcape proposals —The Inchcape Committee was informed that reduction in expenditure amounting to Rs 6,000 had been effected. It recommended that the possibility of uniting Baroda, Kathiawar, Cutch, Mahikantha and Palanpur under a single Agent to the Governor General should be explored with a view to bring the expenditure down to the pre-war level.

(9) *Department's offer and our proposals* —The department has offered to reduce the expenditure by 04 lakh by reducing the clerical establishment. This offer should be accepted. Further, in the light of the formation of the Western India States Agency, we do not think it is now necessary to retain the post of the Assistant Resident and recommend its abolition, saving Rs 6,700 *plus* Rs 600 (passage). Again, on grounds which we have explained in connection with Central India the provision of Rs 400 for a special pay to the Executive Officer of Baroda Cantonment for excise and registration work in the Cantonment area should be deleted. The aggregate savings will thus be 11 lakh.

BAHREIN, MUSCAT, GWADUR AND SEISTAN AGENCIES

(10) We shall deal with the cost of these Agencies along with the expenditure on the diplomatic and consular services in Persia and the Gulf littoral.

SIKKIM AND BHUTAN (2 15 LAKHS)

(11) *Introductory* —This Agency is a new political charge comprising the State of Sikkim and is concerned with political relations with Bhutan and Tibet. It was created in 1905-06 on the transfer of the political relations with these areas from the control of the Government of Bengal to the Government of India.

Political relations with Bhutan began with the treaty of 1865 which still holds good. The subsidy to Bhutan which at first was fixed at Rs 25,000 rose to Rs 50,000 and is now Rs 1,00,000.

Sikkim came into the Indian political system at the outbreak of the war with Nepal in 1814-15. On its conclusion the country between the Mechi and the Tista, which had been wrested from the Nepalese, was made over to the Maharaja of Sikkim. In 1841 the Government granted to the Maharaja an allowance of Rs 3,000, subsequently raised to Rs 6,000, as compensation for the cession of Darjeeling in 1835. It was abrogated in 1850 but after a decade was restored *ex gratia* and was by stages increased to Rs 12,000 on the understanding that the increase had no reference to the increased value of Darjeeling.

In 1893 certain regulations regarding trade, communications and pasturage were drawn up, these also provided for the establishment of a trade mart at Yatung on the Tibetan side of the frontier

(2) *Expenditure* —The following table illustrates the progress of expenditure under Account I —

	1913 14	1922-23	1926-27	1927-28	1928-29	1929 30	1930 31	1931-32
Pay of Officers	28	33	39	44	47	55	49	385
Pay of Establishment	19	21	21	21	22	20	21	22
Allowances, etc	10	13	16	13	15	16	13	135
Supplies and Services and Entertainment Charges	10	26	35	11	11	11	11	11
Contingencies	07	24	13	14	14	14	13	11
Secret Service	03	*	*	04	04	04	02	02
Deduct Recoveries	— 09	— 01	— 01					.
Total	68	1 16	1 23	1 07	1 13	1 20	1 09	98

* Included under Supplies and Services

In addition, a subsidy of Rs 1,00,000 per annum is paid to Bhutan and a payment of Rs 12,000 per annum is made to Sikkim in respect of Darjeeling. A sum of Rs 5,000 has been provided in the current year's budget for the education of Bhutan boys. The total 1931-32 provision thus amounts to 2 15 lakhs.

Analysis of its growth —In 1924-25 the actual expenditure incurred was abnormally high, viz, 2 47 as against 2 15 provided in the current budget. The decrease is only nominal and has been occasioned by the following reasons —

- (i) The 1924-25 actuals included expenditure on (a) the adjustment of special expenditure on account of Mr Bell's mission to Lhasa (10) and (b) the Political Officer's visit to Lhasa (12)
- (ii) Transfer of provision for sterling overseas pay to the High Commissioner's budget (03), and
- (iii) Transfer of provision under " Works " to the Yatung and Gyantse Trade Agencies budgets (0 15)

On the other hand expenditure has increased by about 08 by revision of pay, etc, (02), additional allotment for secret service (Rs 500) and by a new provision (05) for the education of Bhutanese boys. It will be seen that in reality expenditure has grown by 0 08.

Organisation —There are only two officers, viz, a Political Officer (pay Rs 500—2,300 plus a special pay of Rs 200 plus language allowance of Rs 100) and a Medical Officer (pay Rs 500—850). The establishment consists of seven clerks, twelve servants and two agents of the Bhutan State.

(12) *Our proposals* —Apart from noting that the Foreign and Political Department proposed to reduce the total expenditure (4 21 lakhs) on this

Agency and the two Trade Agencies by 42 lakh, the reduction being confined to the expenditure on the Trade Agencies, the Inchcape Committee made no proposals

The department has offered to reduce the expenditure of 2 15 lakhs by Rs 5,000

We agree that the subsidy of 1 00 lakh to Bhutan and the payment of 12 to Sikkim cannot be reduced. The budget amenable to retrenchment is thus reduced to 1 03 lakhs. We observe that the number of officers is the same as in 1913-14 and that the increased expenditure has been due to revisions of pay and the operation of the time-scales. Minor economies are, however, possible. In particular, we think that the provision for Secret Service should be reduced to the 1924-25 level. There is also room for economy under the head "Allowances". Our remarks* relating to the grant of a monthly language allowance, which we consider objectionable in principle, should, *mutatis mutandis*, be deemed applicable to the case of these Agencies also. Considering the special pay of Rs 200 the need for continuing it as well as the sumptuary allowance should be scrutinised afresh. In any case, the language allowance should be converted into a lump sum payment rather than kept alive on a monthly basis.

We estimate that on our proposals it will be possible to reduce the expenditure by about 10

GYANTSE AND YATUNG TRADE AGENCIES (2 29 *plus* 22=2 51 LAKHS)

(13) *Introductory* —Of the three trade marts in Tibet that at Yatung had been opened in 1894 in accordance with the convention of 1893 with China. Gyantse and Gartok were opened after the expedition to Tibet in Lord Curzon's time, and the regulations contained in the Anglo-Chinese Agreement of 1893 were applied to them. British subjects were allowed to rent houses and purchase and sell goods without vexatious restrictions. Goods other than arms, ammunition, military stores, salt, liquors, and intoxicating or narcotic drugs, entering Tibet from British India across the Sikkim-Tibet frontier, or *vice versa*, were exempted from duty for a period of five years, on the expiration of that term a tariff, if mutually agreed upon, could be brought into operation.

The Trade Agents at Gyantse and Yatung are also, *ex-officio*, Assistants to the Political Officer in Sikkim, and we understand that apart from looking after trade interests, they have, under the Tibet Trade Regulations of 1908, to perform miscellaneous political functions and to assist British subjects generally, inquire into disputes between British subjects and those of Chinese, Tibetan and other nationalities and to exercise jurisdiction over British subjects accused of offences at the marts or on the routes leading thereto.

Expenditure —The most important items of expenditure under Gyantse are 'Supplies and Services' and 'Works'. The former includes the maintenance of postal and telegraph lines and of horses and ponies required for postal service on the Phari-Gyantse line, this service is admittedly maintained on political grounds. In 1931-32 provision for postal services including overhead charges is 1 24 lakhs and the provision for the telegraph lines is 38 lakh. The cost of maintenance of animals (1 25 lakh) is also additional expenditure on the maintenance of the postal lines.

*Chapter I, para 9 (iii) and Chapter III, page 54

The expenditure on these Trade Agencies has varied as below —

1913-14 1922-23 1926 27 1927-28. 1929-30 1930 31 1931-32.

Gyantse.

Pay of Officers	{ 1 50 }	02	10	16	15	12	12
Pay of establishment		12	12	13	15	16	17
Allowances		04	09	09	12	127	144
Supplies and Services		1 21	1 62	1 44	1 52	1 86	1 71
Contingencies		10	00	09	10	13	13
Secret Service				01	01	02	02
Total		1 50	1 49	2 02	2 05	2 41	2 29*

* There is also a provision of 34 for works in addition to the usual one which for 1931-32 is 12, i.e., the total provision for 1931-32 is 46

Yatung

Pay of Officers	{ .29 }	11	01	02	04	026	02
Pay of Establishment		09	07	06	07	08	08
Allowances		03	02	02	04	03	03
Supplies and Services		04	04	03	02	006	02
Contingencies		06	04	04	05	06	06
Secret Service				01	01	01	01
		29	33	16	18	23	22†

† There are also provisions of Rs 5,600 for works and Rs 1,500 for entertainment

Total for both	1 79	1 82	2 20	2 10	2 28	2 62	2 51
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Analysis of its growth — It will be seen that the aggregate current provision for both Gyantse and Yatung is 3 04 lakhs. The corresponding figures for 1922-23 and 1924-25 were 2 30 and 2 49 lakhs respectively. Of the apparent increase of 55, as much as 51 is due to the transfer of the provision under "Works" from the Sikkim and Bhutan budget. An increase of 07 has taken place under Supplies and Services, Secret Service, Entertainment charges and contingent expenditure and an increase of 07 has been caused by the grant of sumptuary and house-rent allowances. Additional appointments and the accrual of increments account for another 05. Total gross increase of expenditure has been 72. As against this 72 there is a set-off of 17 mainly due to the temporary amalgamation of the two agencies. Thus the net apparent increase of expenditure is 55 and the net real increase is 04. If, as the department contemplates, the Trade Agent at Yatung's post is also filled up, the real increase of net expenditure over the 1924-25 figures will be 20 lakh.

Further, it will be seen that as regards the cost on account of pay of officers the roles of Gyantse and Yatung have been reversed since 1922-23, when also in connection with the retrenchment campaign of that year an arrangement similar to the present one was temporarily given effect to.

Organisation — Gyantse has a Trade Agent on the Political Department's scale, a special pay of Rs. 200 and a sumptuary allowance of Rs. 100. His

language pay of Rs. 100 per mensem has recently been cut out. There is a provision of Rs. 600 in the 1931-32 estimates for a medical officer, we presume that this is for a special pay of Rs. 50 per mensem for looking after the medical needs of the Agency. Three clerks, a duffadar and a naik, one overseer (pay Rs. 200, the post has since been reduced to a sub-overseer's) a sub-assistant surgeon, a vaccinator and nine servants make up the establishment. Since February 1930 a single officer, viz, the Agent at Gyantse has held charge of both the Gyantse and Yatung agencies. Hence the 1931-32 estimates provide only Rs. 1,800 for a special pay and charge allowance of Rs. 150 per mensem for the officer, he also gets the Yatung sumptuary allowance of Rs. 50 per mensem. Two clerks, a sub-overseer, a sub-assistant surgeon and four servants are the Yatung establishment.

(14) *Proposals* —The Inchcape Committee was told that the department proposed to reduce the expenditure by 42 over the estimates of 1922-23. We presume that it contemplated a future budget of about 1.40 lakhs. In fact, the 1931-32 provision is 2.51 lakhs.

The department has offered to reduce the expenditure by Rs. 4,000 in the case of Gyantse and Rs. 2,000 in that of Yatung. We are not convinced that though called trade Agencies they are not being maintained in furtherance of Britain's imperial political interests. No evidence has been adduced to show that these agencies have helped the trade between India and Tibet to grow appreciably, nor that its volume and character justify such expenditure from Indian revenues. The officers are on the scales of pay in force in the Political Department and are under the control of the Foreign and Political Department and not the Commerce Department, in both these respects they differ from the special trade representatives of India contemplated by the Commerce Department scheme for Hamburg, Milan, New York, Alexandria, Mombasa and Durban.

As regards imperial and Indian politics in Tibet, we hold that China has now receded into the background, and we cannot see that India as such has any vital political, or even trade, interests in Tibet. Hence we see no justification for the expenditure on these Agencies continuing to be a charge on Indian revenues. The position is essentially similar to the position of the "consulates" in Persia, [*vide* Chapter XVIII, paragraph 6 (a)]. On grounds which we have set forth there we hold that His Majesty's Government should take over the trade agencies in Tibet including Gartok and their financial liabilities *in toto*. We recommend that the Government of India should initiate action to bring about such transfer as early as possible.

We may now proceed to indicate the room for retrenchment within the existing system, though for our calculation of savings we shall assume the transfer of the whole cost.

(i) Pending consideration of our main proposal, we see no reason why the present arrangement of a single officer holding the combined charge of both the trade agencies should not be made permanent. We understand that these agencies were once before also combined. The department considers that it is not impossible to make the present arrangement permanent, but it opposes such an idea on the following grounds —

(a) Preservation of treaty rights and obligations

(b) Desirability of training up an "under-study"

- (c) The fact that the Trade Agents' functions include the exercise of magisterial jurisdiction over British subjects accused of offences and the settlement of disputes between them and the nationals of other countries
- (d) Undesirability of letting British subjects be tried by Tibetan officers.
- (e) The great distance—130 miles—between Yatung and Gyantse, the route having to traverse high passes, which are blocked by snow in winter
- (f) Desirability of securing compliance with the restrictions and other conditions relating to the visits of Europeans

Although these grounds may be sound from the strictly political point of view, they appear to us to be weak from the point of view of India's trade with Tibet. As regards the strictly political aspect, we have already stated that India should not be called upon to bear the burden of looking after Britain's imperial political interests in Asia. The claim that consular jurisdiction over British subjects must be maintained appears to us to be somewhat out of harmony with the trend of modern developments in Asia and likely to provoke conflicts which should be avoided. While therefore we think that for the immediate future, at any rate, the present policy might be continued, we see no reason why the present arrangements should not be made permanent.

In this connection we may draw attention to the fact that the present officer's emoluments over and above his pay and overseas pay amount to Rs 600 as below —

- Rs 200 special pay
- Rs 100 sumptuary allowance for Gyantse.
- Rs 100 language pay
- Rs 150 charge allowance for Yatung, and
- Rs 50 sumptuary allowance for Yatung

There appears to be considerable room for reducing the number and amounts of these emoluments, we draw special attention to the charge allowance and the *additional* sumptuary allowance for Yatung.

(iii) Even if it is considered expedient to maintain these agencies, we cannot see why expenditure should be allowed to grow so fast. In particular, we can see little justification for the maintenance of postal and telegraph lines at such enormous cost. It is true that these services have been established in pursuance of treaty obligations—rather rights—and that therefore the expenditure is charged to "Political". But we do not see political or trade advantages from the maintenance of these services commensurate with their cost. The department has promised to reduce this expenditure as far as possible. We recommend that it should be reduced to the level of, say, 1922-23.

(iv) We observe that even in a year of acute financial stringency 46 and 06 have been provided for "Works" under Gyantse and Yatung respectively. The aggregate provision for 1930-31 was about 37. Under the present financial stringency many beneficent activities in India proper are being curtailed. We cannot therefore justify expenditure on works outside the territorial limits of India growing so fast. It must not be forgotten that the maintenance of such services in Tibet is likely to benefit Tibetans more than Indians,

CHAPTER XIII

POLITICAL EXPENDITURE IN MADRAS.

(1) *Introductory*—The charges falling under Account I in this Circle of Account consist of the expenditure on (i) the Madras States Agency, (ii) the Consulate at Pondicherry and (iii) payment to the Madras Government for 'agency' work

(i) In accordance with a recommendation in the Montagu-Chelmsford Report on Indian constitutional reforms, (paragraph 310 of the Report) Indian States in the Madras Presidency, *viz*, Travancore, Cochin, Pudukottai, Banganapalle and Sandur, were brought into direct relations with the Government of India through an Agent to the Governor-General, whose headquarters are at Trivandrum. The Agent is a Resident of the II class on Rs 3,000 p m plus a sumptuary allowance of Rs 200 p m. He has an Assistant (pay Rs 600) and an Indian Assistant (pay Rs 300—500), the former post appears to have been kept vacant. There is a provision for a special pay of Rs 100 p m. presumably to a local medical practitioner for the performance of duties as medical officer to the Agency Hospital. The establishment of 23 (including medical staff) and of 27 servants costs Rs. 23,400

(ii) A Consul on Rs 1,785 is maintained for the sake of French India; his duties include assistance to the police in dealing with political refugees, prevention of the evasion of passport restrictions, and assistance to the mercantile community in matters of trade and shipping. His establishment numbers 14 and costs Rs 5,300

(iii) Certain minor political duties are still performed by the Secretariat and the officers of the Government of Madras, *e g.*, payment of stipends to the representatives of the Carnatic and the Tanjore families, the maintenance of a channel of communication between the Government of India and the French authorities at Pondicherry, services rendered by the Assistant Superintendent of Stationery. The Local Government perform these duties as agents to the Governor-General in Council and receive an annual payment of Rs 11,600. The department contends that these duties cannot be performed by the Agent to the Governor-General without prejudice to his normal and more important duties and that in any case such an arrangement is not likely to yield any economy

(2) *Nayar Brigade*.—A peculiar feature of the expenditure of the Madras States Agency is the adjustment of a sum aggregating Rs 14,700 annually as contribution for leave, pension and passages of military officers lent for service in the Nayar Brigade. As the maintenance of this Brigade by the Travancore Darbar had tended to relieve the regular army of various duties connected with internal security in Central India, the Darbar was relieved, under an arrangement entered into in 1873, of the payment of leave and pension contribution in respect of British military officers employed with the Brigade. The adjustment used to be made under the Military estimates but has been transferred to the Civil estimates since 1922-30

In 1930-31, the strength of the Brigade was 1471

(3) *Expenditure*—(a) *Explanation*—The aggregate provision for 1931-32 is 2 59 lakhs of which 71 is absorbed by the pay of officers, 29 by the pay of establishments and 23 by allowances. Contingent expenditure amounts to

22, ·12 is paid to Madras Government for agency work, and 25 is spent on account of Mapillas and other prisoners and detenus. Of the other items of expenditure the most important are 33 for miscellaneous expenditure and ·27 for Works.

Analysed on a different principle the Madras States Agency costs 1 61 lakhs including Works and other Political expenditure including the payment to Madras Government amounts to 98, and is under the control of the Madras Government.

(b) *Progress* — The following table shows the progress of expenditure —

ACCOUNT I

—	1922-23	1926-27	1927-28	1928-29	1929-30	1931-32
<i>(2) Madras Agency</i>						
Pay of Officers	43	60	49	57	92	49
Pay of Establishment	21	22	21	22	22	23
Allowances	08	22	21	25	24	22
Supplies and Services	01	08	05	03	03	04
Contingencies	15	19	22	19	24	20
Grants in-aid		02	01		15	15
Total Madras Agency	88	1 33	1 19	1 26	1 80	1 33
<i>(2) Pondicherry</i>						
Pay of Officers	·14	13	08	17	24	21
Pay of Establishment	09	05	05	05	05	05
Allowances					01	
Contingencies	02	02	02	02	02	02
Grants in-aid				02	01	01
Total	25	20	15	26	33	·29
Amount payable to the Madras Government for Agency work	08	17	12	12	12	12
Deduct-Recoveries from Pudukkottai and Sandur States	— 03	— 02				
Total Madras Account I	1 18	1 08	1 46	1 64	2 25	1 74
ACCOUNT II						
Refugees and State Prisoners	20	40	34	25	25	25
Works		26	25	24	24	27
Miscellaneous	06		03	01	23	33
Total of Account II	26	66	62	50	72	85
Grand Total for Madras	1 44	2 34	2 08	2 14	2 97	2 59*

* The corresponding actuals for 1924-25 were 2 07 lakhs

Analysis of the progress of expenditure —(A) Madras States Agency—The actual expenditure in 1924-25 was 1 08 lakhs, the corresponding provision for 1931-32 is 1 61 lakhs. During this period there was a gross increase of Rs 61,618 and a decrease of Rs 8,395. The net increase thus amounts to 53 lakhs.

The following reasons contributed to the increase —

	Rs
(i) Creation of a post of Indian Assistant	4,800
(ii) Provision for a motor lorry service for carriage of records, etc on tour	2,879
(iii) Increased provision for travelling allowance	8,377
(iv) Contribution for leave, pension and passages of military officers lent for service in the Nayar Brigade	14,700
(v) Change of accounting methods	3,162
(vi) Provision for the cost of salutes to Chiefs and for customs duty on ordnance stores supplied to Indian States	600
(vii) Provision for Works in the Trivandrum and Bolghotty Residencies.	27,100

The reasons for decreased expenditure were —

(a) Transfer of provision to the High Commissioner's budget for sterling overseas pay and the posting of junior officers	5,725
(b) Variation in the pay of establishment on time-scale	30
(c) Decrease under "Contingencies" due to the provision of motor lorry service	2,640

(B) Expenditure under the control of the Madras Government—Compared with the actual expenditure of Rs 99 654 in 1924-25 the 1931-32 provision of Rs 98,100 shows a decrease of Rs 1,554. The factors which contributed to the growth of expenditure were —

	Rs
(i) Posting of a senior officer as His Majesty's Consul at Karikal and Pondicherry and the contribution for his passage	6,186
(ii) Cost of firing salutes	200
(iii) Increased provision under demarcation of boundaries	12,274
(iv) Small increases under Pay of establishment, Allowances and Contingencies	1,079

Against this gross increase there was a set-off of Rs 21,293 as below —

(a) The 1924-25 provision included Rs 10,100 for arrear payments to Madras	10,100
(b) Decrease due to the fact that Collectors of Kurnool, Bellary and Trichinopoly were relieved of their duties as Political Agents	10,100
(c) Decrease in expenditure on account of Refugees and State Prisoners	1,997

(4) Departmental offer and our proposals—We observe that the Inchcape Committee offered no remarks and made no recommendations on political expenditure in Madras.

The department has offered a total reduction of 27. We do not know the details. But from the memorandum supplied to the Legislature recently

we gather that 04 is on account of "Works" One of the important items for retrenchment under the department's contemplation is the proposal to abolish the post of Assistant to the Agent to the Governor-General saving Rs 7,400

We shall first make our main proposal and thereafter proceed to examine the expenditure in detail

(A) *Main proposal* — We propose that this agency should be amalgamated with the Mysore Residency By common repute the principal Southern Indian States, *viz*, Mysore, Travancore and Cochin are progressive and well administered States, over which supervision by representatives of the paramount power need not be so close as in the case of some others The southernmost border of Mysore State is only about 75 miles from the northern border of Cochin State, and Bangalore and Mysore are both fairly well connected with Trivandrum and Cochin by rail and road So far as we can see, there can be no important political consideration against the amalgamation of the Madras States Agency with the Mysore Residency The case for the amalgamation of the Madras States Agency with the Mysore Residency appears to be even stronger than that for the amalgamation, already effected, of the Bundelkhand and Baghelkhand Agencies, since each of the latter have to deal with a number of States not well connected with each other and some of them even lacking plenary jurisdiction In case the proposed amalgamation is effected, we shall have no objection to a somewhat senior assistant being maintained at Trivandrum for the disposal of the comparatively less important cases In the course of his oral evidence the Political Secretary (Sir Charles Watson) told us that normally the amalgamation of one agency with another results in a saving of about 40 lakh In this case the principal officer is not on the time-scale but on a special scale, *viz*, Rs 3,000 We therefore estimate that the saving resulting from our proposal should be about 50 lakh

(B) (i) Coming to a detailed examination of the expenditure on this agency we agree with the department that the Assistant Secretary's post should, if this agency is to be retained, be abolished (If on the other hand the agency is absorbed into the Mysore Residency, a senior Assistant's post might be created to take the place of the two posts of the Agent to the Governor-General and the Assistant Secretary)

(ii) Considering that the States in relation with this agency are Hindu States, the sumptuary allowance of Rs 200 to the Agent to the Governor-General might perhaps be reduced to Rs 100 p m We may add that the sumptuary allowance to the Political Agent, Bhopal, who now lives at the headquarters of one of the leading Mohammedan States of India is Rs 100 p m We presume that at Bhopal entertainment has to be done probably on a larger scale than at Trivandrum and Bolghatty Even then we have proposed, on grounds explained in the relevant connection*, the abolition of the allowance Those grounds apply, *â fortiori*, to this case

(iii) We have given due weight to the Department's view that at Pondicherry it is essential to have an experienced and reliable officer as a full-time Consul

* *Vide* Chapter VII—para 6 (XIV), page 112

We observe that until recently the status and pay were much lower and further that the provision for a British Consul for Portuguese India at Goa is Rs 400 p m. The department's view is that Pondicherry being a larger and more important port with more traffic passing through it than Goa, arrangements similar to those in force at Goa are not practicable at Pondicherry. We concede that the departmental view has some force in it. But we do not agree that the case made out by it justifies a Consular post on Rs 1,785, which has imposed an additional burden of over six thousand rupees on central revenues since 1924-25. We think that the status of the post should be reduced, the pay attached to it being reduced to, say, Rs 1,000—1,200.

(iv) We endorse the department's view that no appreciable economy will result from making over to the Agent to the Governor-General or, under our proposal, to the Resident, Mysore, the work at present performed by the Madras Government or their officers.

(v) As regards the provision of Rs 14,700 on account of the leave and pensionary contributions in respect of British military officers employed with the Nayar Brigade we observe that up to 1929 the contribution was charged to the army estimates. Considering that the officers concerned are British military officers, that the unit with which they are employed is a part of the army organisation of India, and that the justification for the undertaking of this liability lay in the fact that the Nayar Brigade tended to relieve the regular army of various duties connected with internal security in Central India, we think the army estimates should continue to bear the charge. The contribution should therefore disappear from the "Political" estimates. In this connection we invite attention to paragraph 9 (v) of Chapter I.

(vi) From an analysis of the expenditure on "Works" we find there is considerable room for economy. We shall, however, deal with the provision for "Works" as a whole.

(vii) *Miscellaneous*—The 1931-32 provision is 33. The actual expenditure in 1927-28 and 1928-29 was only 03 and 01 respectively. On the other hand it appears that in 1924-25 the provision was about 18. We cannot account for the heavy growth of expenditure on the demarcation of boundaries. It appears to us that this item requires careful looking into. We are not, however, in a position to make any concrete proposals other than that a ten per cent cut might be made. The resultant saving will be taken into account in Chapter XX.

(C) On the whole and subject to our main proposal regarding the amalgamation of this Agency with the Mysore Residency, we recommend acceptance of the departmental offer of .23 plus .01 under sumptuary allowance plus .06 for Pondicherry. To this we add .50 on account of the amalgamation with the Mysore Residency and .15 by transfer to the army estimates. The total reduction of civil expenditure will therefore be about 95 lakh. Making allowance for possible increase on certain items we shall calculate the reduction at 90 lakh.

CHAPTER XIV

ADEN AND ARABIA

(1) *Introduction* — Before we proceed to deal with Aden, we may mention that a Residency at Baghdad and a Vice-Consulate at Jeddah and Hodeida used to be maintained from Indian revenues. The emergence of Iraq as a mandatory State did away with the Baghdad Residency. In connection with the retrenchment campaign of 1922-23 it was decided not to re-open the Vice-Consulate at Hodeida. The control of the Vice-Consulate at Jeddah was transferred to His Majesty's Government and, so far as we have been able to ascertain, the Government of India contribute one-half of the cost.

Aden — Aden with the island of Perim commands the straits of Bab-el-Mandab at the southern entrance to the Red Sea. For a naval power desirous of guarding its line of communications and of dominating the Red and the Arabian Seas its situation is exceptionally favourable. The British-Indian Government had negotiated with the Sultan of Lahej for its sale. In consequence of his failure to complete the sale to which he had agreed and to grant satisfaction for the plunder and maltreatment of the crews of some British vessels wrecked on the Aden coast the port of Aden was bombarded and taken in 1839. The Sultan signed an agreement, under which, in return for his engaging to maintain peace and friendship, the British Government agreed to grant certain subsidies to him and to some of the tribes. In 1867, the Sultan consented to the construction of an aqueduct for the supply of water from the Shaikh Othman wells to Aden. In 1869, the peninsula of Little Aden was purchased from the Chief of the Akrab tribe and in 1887 a strip of the foreshore connecting Al Haswa and Bunder Fucum was also purchased. At various times treaties were concluded with the several tribes, extending to them and their territories the protection of the British Government.

Aden is now used principally as a coaling station and is a port of call for many of the steamship lines plying between Europe and the East. The manufacture of salt is the principal industry. India has large trade and industrial interests in Aden town and port and of the total population of 56,500 in 1921, 11,253 was Indian, mainly from the maritime districts of Bombay and the States of Kathiawar and Cutch. The latest census (1931) showed a total population of 51,478 but the figures relating to the numbers of Indians and non-Indians in 1931 could not be supplied to us.

(2) *Administrative arrangements and incidence of expenditure* — For a long time the whole expenditure in Aden was borne by India, and the Government of Bombay administered it. Towards the end of the last century, His Majesty's Government agreed to make an annual contribution of £72,000. In 1917, the political and military control of Aden was taken over by His Majesty's Government. The Inchcape Committee recommended the examination of a suggestion received by it, *viz*, that (i) the Aden Settlement, town and port, should remain a part of India, all civil and military administration resting with the officers of the Indian Government and (ii) the Aden Protectorate and Political arrangements should be taken over by the British Government, which could obtain on payment from India such Indian troops as were necessary for the purpose. Under the arrangement proposed Great Britain was to accept responsibility for the protection of Aden, India making a reduced contribution.

towards its defence At the same time it recommended that (i) the garrison at Aden should be reduced to the pre-war strength, representing a saving of 10 lakhs on the 1922-23 estimates, (ii) a portion of the pay of the Chairman of the Port Trust should be transferred to the Port Trust Funds and (iii) political expenditure at Aden in 1923-24 should be limited to 3 79 lakhs In fact, the actual expenditure in 1929-30 was 4 21 and the revised and budget estimates for 1930-31 and 1931-32 are 5 08 and 4 87 lakhs respectively In 1927 an arrangement was entered into, under which His Majesty's Government became responsible for the whole of the military and political expenditure in Aden, the Government of India making a contribution of £250,000 for the first three years and thereafter one-third of the total cost (including the cost of the air force units at Aden), upto a maximum of £150,000 per annum In all political and military matters the Resident at Aden, who is also Commander-in-Chief, was made directly responsible to His Majesty's Government On the other hand India became solely responsible for the civil administration of Aden town and settlement, in such matters the Resident and Commander-in-Chief is under the control of the Governments of India and of Bombay The civil expenditure is shared between the Government of India and the Government of Bombay according as the items are 'central' or 'provincial' We should, however, remark that certain items which properly speaking are provincial, e g, expenditure on Education, Medical, Public Health, General Administration, are at present booked under the head "Political" which of course is a central subject

We understand* that it has been decided that the Government of India should take over the civil administration from the Government of Bombay and set up Aden as a Chief Commissionership

(3) (a) *Expenditure*—The contribution to His Majesty's Government in respect of military and political expenditure the 1930-31 provision for which was the full amount, viz, £150,000, is debited to the army estimates In addition the expenditure which has been classified as civil is borne by the Government of India and the Government of Bombay Owing to the change which took place in 1927 in the incidence of expenditure, we have not attempted to give the usual comparative figures We may, however, remark that the actual expenditure in 1929-30 was 4 21 lakhs and the revised estimate for 1930-31 was 5 08

(b) *Revision of establishments since 1927*—The department has informed us that the transfer of the military and political control of Aden to His Majesty's Government in 1927 resulted in a considerable saving to Indian revenues on the cost of the superior establishment Since 1930 the post of Third Assistant to the Resident is being filled, as an experimental measure, from the cadre of the Bombay Provincial Executive Service

The question of reducing the enhancements of pay granted to the lower staff of the Civil Hospital at Aden in 1922 is under consideration Similarly the abolition of one post of passport clerk is also being considered

*This chapter was drafted a few weeks before the administration of Aden was taken over by the Government of India, and has been left unaltered. The conditions it pictures are those which existed generally in 1931-32

(4) *Revenues and deficit* — The principal sources of central revenues are Income-tax, Lighthouses and Lightships, Interest and Salt. We observe that in 1932-33 total receipts, both central and provincial, are estimated at 13.32 lakhs. The principal sources and the estimates under each are —

Income-tax	3 37
Salt	87
Excise	2 17
Stamps	99
Interest	1 49
Police	1 72
Ports and Pilotage	14
Lighthouses and Lightships	1 40
Medical	27
Miscellaneous	36

The following table shows the total receipts from "central" subjects and the deficit (apart from the contribution to His Majesty's Government towards political and military expenditure) to central revenues —

	1927-28	1928-29	1930-31
Receipts	3 17	6 13	5 55
Expenditure	9 96	7 45	8.76*
Deficit	6 79	1 32	3 21*

*Includes Rs 60,000 for a hospital scheme not included in the budget

(5) *Organisation* — In the budget estimates for 1931-32 provision has been made for the following officers —

A Political Resident (Rs 2,500 p m with a sumptuary allowance of Rs 500 p m), an A -D -C (Rs 400—700), a Judicial Assistant (Rs 1,000—2,250 *plus* special pay Rs 150), a Surgeon (Rs 750), three Assistant Residents (one on Rs 2,150, another on Rs 1,100 and the third on Rs 500 *plus* a special pay of Rs 150 p m), a Registrar and Judge (Rs 300—50—750), a Deputy Educational Inspector (on Rs 350—650) a Headmaster (Rs 440), Chairman of the Aden Port Trust (only a part of whose cost is now debited to central estimates) and a Lady Doctor (Rs 400—25—600). The budget includes provision for the following permanent establishment costing 1.28 lakhs (*viz*, 1.21 on salaries *plus* .12 for leave salary *minus* .05 for probable savings)

	Executive and clerical		Servants	
	Number	Provision	Number	Provision
General Administration	27	44	38	11
Justice	16	17	7	02
Education	25	23	9	02
Medical	5	06	24	05
Trade Registration	7	10	3	01
Total	80	1 00	81	21

(6) *Departmental offer* —The Department has offered savings aggregating 16 lakh in the current year's budget provision of 4 88 lakhs. We do not know the details and are unable to say what portion of this expenditure represents permanent genuine savings. We were also informed that the department was contemplating a further reduction of about 20 lakh, but that the Bombay Government's reply was being awaited.

(7) *Our proposals* —In dealing with Aden expenditure we feel we are under a considerable handicap. His Majesty's Government are now responsible for the political and military expenditure and the only concern of the Government of India in respect of such expenditure is to make a contribution (upto a maximum of £150,000) according to a certain formula. In our opinion, however, this fact should not stand in the way of the Government of India trying to get the formula revised. Our Sub-Committee is not concerned with military expenditure and since the contribution in respect of political relations is also lumped with the military contribution and the aggregate of both is provided for in the army estimates, it may be argued that it is not competent to review it. Without admitting the validity of such a contention we refrain from such a review. We shall therefore confine ourselves to an examination of the provision which is strictly under our purview, i.e., of the provision of 4 88 lakhs under head "29—Political". We are of course leaving out of consideration the expenditure at present borne by the Government of Bombay, in respect of which we have little information, in fact it seems that the Government of India themselves have none to communicate to us.

As remarked by us in para 2, the Inchcape Committee recommended that political expenditure should be limited to 3 79 lakhs. Considering that military and political conditions in Arabia are far more settled than they were when that Committee reported, we think that the expenditure should, at least, be taken back to the neighbourhood of 3½ lakhs. For the present, however, we are content to put forward certain recommendations designed to reduce the budget provision from 4 88 to about 4 25 lakhs. Even this amount will be a little in excess of the actual expenditure in 1929-30.

The following are some of the specific lines of action we recommend —

- (i) The post of A -D -C to Resident on Rs 400—700 appears to be a new creation in 1931-32. At any rate there was no provision for it in the 1930-31 budget. This post should be abolished, saving 07.
- (ii) For a small civil administration like that of the Aden Settlement, we consider it unnecessary to maintain the Second and the Third Assistant Residents. These two posts should also be abolished, saving 25.
- (iii) Further, we notice that the Resident's sumptuary allowance is as much as Rs 500 p m —the same amount as is paid to the Chief Commissioner and Agent to the Governor-General, North-West Frontier Province. As in the case of that province this allowance should be reduced to Rs 250 p m, saving 03.
- (iv) The new item of 53 in the 1931-32 estimates for a grant-in-aid for the drainage scheme in Tawahi and Maala may be capable of some reduction.

CHAPTER XV.

BOMBAY.

(1) *Explanation* —The Accounts Circle Bombay accounts for the expenditure on four agencies, viz (i) Aden, (ii) Mahikantha, (iii) Southern Mahratta country and (iv) Minor agencies. In this chapter we shall deal with only Account I i.e., with expenditure (10 65 lakhs) on the Political Agencies and not with miscellaneous political expenditure (65 lakh), the latter is accounted for in Account II and will be dealt with separately.

In view of the different history and present conditions of Aden we have dealt with it separately. The other three agencies will be dealt with in this chapter.

We may explain that Cutch, Kathiawar States and Palanpur etc., used to be in political relations with the Government of India through the Government of Bombay. With the creation of the Western India States Agency under the direct control of the Government of India in October 1924, only the three agencies mentioned above now remain under the political control of the Government of Bombay.

A.—Mahikantha Agency

(2) (a) *Introduction* —The country covered by this Agency is a backward and hilly tract (area 3,124 square miles) and its population comprises Bhils and other aborigines. Of the 52 States and Talukas in this Agency only the States of Idar, Vijayanagar and Danta possess plenary jurisdiction, the others either have no jurisdiction at all or have it only in a limited form. The "residuary" jurisdiction, original as well as appellate, has to be exercised by the political officers.

The headquarters are at Sadra, which is only a small civil station on the eastern border of the Baroda enclave in central Gujarat.

(b) *Organisation* —The political staff consists of a Political Agent and three Deputy Political Agents. An Assistant Surgeon, 56 clerks and 57 servants and a subordinate medical establishment of 12 are also maintained.

Besides his pay on the usual scale including overseas pay, the Political Agent gets a special pay of Rs 250. Of the three posts of Deputy Political Agents, one is on the scale Rs 550—600 and two others on the scale Rs 350—600. The Assistant Surgeon's post is on Rs 320 and he gets a special pay of Rs 50.

(c) *Expenditure*.—Of the total gross provision of 1 43 lakhs officers' pay accounts for 40 and the pay of establishment for 81 lakh. The only other important provision is 12 for travelling allowances.

A contribution is levied from the Consolidated Local Fund and the Sadra Bazaar Fund on account of the pay, leave salary and pension of the establishment payable from those funds. The total annual recovery is fixed at Rs 53,160 of which Rs 45,400 representing pay and allowances of the staff is taken as reduction of expenditure and the balance representing leave and pensionary contribution is credited to revenues.

The estimates also provide for an expenditure of 1 76 lakhs on the policing of the Mahikantha Agency, i.e., the civil station of Sadra and certain thanas. A somewhat detailed explanation in respect of the policing of Banaskantha,

Mahikantha, Rewakantha and the Western India States Agency has been given in Chapter X and need not be repeated. The expenditure on the policing of these areas is charged against central revenues to which are credited the tributes received from the States and also the Baroda subsidy of 3 75 lakhs which was expressly meant to provide for these police charges.

Growth of expenditure.—The following table shows the progress of expenditure on this Agency —

	1922-23	1926-27	1927-28	1928-29	1929-30	1931-32
<i>Political and medical</i>						
Pay of officers	} .73	43	43	44	45	40
Pay of establishment		70	73	73	76	81
Allowances	12	12	17	13	15	12
Contingencies	10	10	10	12	09	08
Grants-in-aid		02	02	02	02	.07
<i>Deduct—Recoveries</i>	— 53	— 51	— 44	— 41	— 41	— 45
Total	42	86	1 01	1 03	1 06	1 03
<i>Police Charges</i>						
Pay of officers		10	10	.10	.11	10
Pay of establishment		1 24	1 24	1 24	1 25	1 22
Allowances		30	29	31	30	.29
Supplies and Services			02	03	04	03
Contingencies		15	11	11	14	11
Payment to local Government		01				
Total		1 80	1 76	1 79	1 84	1 75
Grand Total	42	2 66	2 77	2 82	2 90	2 78

(d) *Departmental offer and our proposals*—(i) The Inchcape Committee was definitely “of opinion that an arrangement under which the local Government is responsible for administration, while the cost is borne by the Central Government is unsuitable”, and recommended that if the States in political relations with the Government of Bombay were to be transferred to the Government of India, the possibility of uniting Baroda, Kathiawar, Cutch and Palanpur under one Agent to the Governor-General should be explored with a view to effecting economies in establishment sufficient to reduce the expenditure to pre-war level. We observe that while Kathiawar, Cutch and Palanpur have been amalgamated into one agency, Baroda and Mahikantha do not form part of it, and that Mahikantha and Rewakantha are still under the control of the Bombay Government.

The department's view is that it is impossible to abolish this agency or to amalgamate it with any other agency in Rajputana or in the Western India States. The grounds on which this view is based are.—

- (i) the country covered by this agency is a backward tract and contains an unusually large proportion of Bhils and other aborigines who are alleged to be very easily excitable,

(ii) relations between the durbars and their nobles are said to be a constant source of trouble, and

(iii) the agency cannot be controlled at long range from either Mount Abu or Rajkot

Further, it might be urged as an objection to any proposal regarding the absorption of Mahikantha Agency into Baroda Residency or Western India States Agency that it would automatically involve "direct relations" with the States in this agency which, we notice, are all comparatively small and unimportant. But we observe that many other small States and Estates, *e g*, in Bundelkhand and Baghelkhand, are, and have always been, in direct relations with the Government of India. We may now examine the objections urged by the department.

Sadra, the headquarters, is within less than a hundred miles of Palanpur and Baroda and has railway connections with them within fairly easy reach. Some admixture of Bhil and other aboriginal population is to be found in the populations of Palanpur, Baroda and many of the States of South-Western Rajputana, *e g*, Udaipur, Sirohi, Dungapur and Banswara. Though the department is inclined to consider the existence of this population, alleged to be easily excitable, as a problem, we are not aware of any serious trouble having occurred in recent times in that area, in any case, it is hardly a valid plea against the amalgamation of Mahikantha with any other agency (*e g*, Banaskantha, Baroda, Udaipur) in charge of political relations with States which have also an aboriginal population to deal with.

Disputes between the durbars and their nobles are not peculiar to the Mahikantha States and do not necessitate the maintenance of a separate and special agency, the amalgamated agency also can look after them.

We should like to impress it upon the Department that from the point of view of administrative control and higher appellate judicial work it is clearly more desirable to bring Mahikantha in relation with Baroda or Banaskantha than to leave it to deal with a local Government, whose changing headquarters (Bombay, Mahabaleshwar and Poona) are hundreds of miles away from Sadra and from the capitals of the States and taluqas concerned.

Apart from the "amour propre" of the Bombay Government we can therefore see no great reason why Mahikantha should be maintained as a separate agency under the political control of that Government and we suggest that its absorption into a bigger agency, which presumably was in contemplation when the Inchcape Committee reported, should now be brought about. Considering the traditional link of the States and Taluqas comprised in this agency with Baroda State and also the fact that Baroda is probably more easily accessible to them than Rajkot, we think it *prima facie* feasible and desirable to amalgamate it with Baroda Residency. But we do not bar the possibility of the balance of advantage being found, on examination, to lie with its amalgamation with Banaskantha (which is reputed to be a light charge), or even with Udaipur and Mount Abu. For purposes of calculating savings we shall assume such amalgamation.

If necessary, a political officer of the status of an Assistant or a Deputy may be kept at Sadra. In any case it should be possible to reduce the status of the present post and also to abolish the post of one of the three deputies.

(vi) In case, however, our suggestion above is rejected, the most costly of the three posts of Deputy Political Agents should be abolished

(vii) We are doubtful if it is necessary to attach a special pay of Rs 250 (25 per cent of the pay proper of the present incumbent) to the post of Political Agent. In practice, the officer concerned is likely to correspond in status to a provincial service officer or to a junior officer of the Political Department. Even for onerous special duties the special pay is generally fixed at a figure not exceeding 20 per cent. We think, this special pay should be abolished. In any case, it is disproportionate and should be considerably reduced.

We are not sure that in a place like Sadra, where the Assistant Surgeon is not likely to have any serious professional competition, it is necessary to attach a special pay to his post.

(viii) Minor economies under Allowances, Supplies and Services, Contingencies and Grants-in-aid appear feasible.

On our proposals there should be a reduction of expenditure of about 20 lakh, exclusive of the reduction of expenditure on Police. We also assume that the reduction proposed by us will mainly be a saving to central revenues and that it will not merely afford relief to the Sadra Bazaar Fund or the Consolidated Local Fund. In the absence of detailed information, the entire saving will be included in our calculation of savings.

(e) *Proposals regarding Police* —As regards the Mahikantha Police, the expenditure of 1.76 lakhs is now a direct charge on central revenues. It is true that the tributes received from the States comprised in the agency and a part of the Baroda subsidy of 3.75 lakhs are,—at any rate historically,—to be considered as a partial set-off against this expenditure. But since the expenditure is now in fact a charge on central revenues, we propose to review it.

A Deputy Superintendent on Rs 520 *plus* a duty allowance of Rs 100 and an Inspector on Rs 240 are the officers maintained for the force which consists of 359 ranks and 2 servants. We have scrutinised the provisions and have come to the conclusion that it should not be difficult to effect a saving of 10 per cent of the 1931-32 provision, *i.e.*, of 17 or 18.

(f) *Summary* —On our proposals the total reduction of expenditure on the Mahikantha Agency including Police charges will be about 37 lakh.

B —Southern Mahratta country

(3) (a) *Organisation* —A Political Agent (pay Rs 2,250 *plus* fixed travelling allowance Rs 200) is maintained for the conduct of political relations with the States of the Southern Mahratta country. At Kolhapur, the most important of them, he has the status of a Resident. He is assisted by an Assistant Resident and an "Adjutant and Second-in-Command, Kolhapur Infantry." There is also a provision of Rs 4,100 for a *Daftardar* of gazetted status on Rs 340 per mensem, but the post has been held in abeyance since 1st June 1931. Establishments consist of 15 clerks and 16 servants.

(b) *Expenditure* —Officers' pay absorbs 54 and the pay of establishments

19. The only other important item of expenditure is a provision of Rs 5,300 for travelling and other allowances. Against the current provision of Rs 500 for special charges there was no actual expenditure in 1929-30.

The following table shows the progress of expenditure —

	1922-23	1926-27	1927-28	1928-29	1929-30	1931-32.
Pay of officers	33	67	49	42	44	54
Pay of establishment		21	21	19	19	19
Allowances	03	11	10	07	05	08
Supplies and Services	01					
Contingencies	03	03	02	02	02	02
	40	1 02	82	70	70	83
Deduct—recoveries from States	43*	45	44	now credited as revenue		

* The accuracy of this deduct item appears to be doubtful

A peculiar feature of the expenditure on this agency is the recovery towards its cost. For 1931-32 the contribution receivable is 45 lakh and is credited as revenue. The details of the contribution are —

	Rs
(i) towards the Resident's pay	19,200
(ii) towards travelling allowances	2,400
(iii) towards the pay of the Second-in-Command and Adjutant, Kolhapur Infantry	13,200
(iv) half the pay of the Daftardar	2,048
(v) half the pay of the establishments and the Railway Magistrate	7,775

Items (i), (ii) and (iii) are fixed, while items (iv) and (v) fluctuate with changes in the emoluments of the establishment, *e g*, when increments become due. Since the post of the Daftardar is now held in abeyance, recovery on account of item (iv) will fall short of the estimate.

The table above shows that since 1924-25 the net expenditure has not only not grown but has in fact gone down. As compared with 1928-29 and 1929-30, however, it shows an increase of about 13. Compared with the actuals of 1924-25 the cost has nominally increased by 29, but in fact it has decreased by 14.

(c) *Our proposals*—The total reduction offered by the department for Bombay as a whole is 34. We do not know the details, nor do we know what portion of the offer is on account of Account I of this agency. We therefore propose to examine the expenditure ourselves.

(i) We approve of the department's action in keeping the Daftardar's post in abeyance and thereby effecting a reduction of Rs 4,100 and presumably also Rs 600 on account of his leave salary. Its abolition should be considered at an early date.

(ii) We assume that the provision of Rs 2,600 on account of the cost of passages will not be needed in 1932-33.

(e) There is little room for further appreciable economies. In our skeleton scheme we had recommended a reduction of 10. On further consideration however we propose a reduction of about Rs 7,500, out of which about Rs 5,000 to Rs 6,000 will represent a permanent saving.

C.—*Minor Agencies in Bombay*

(4) (a) *Explanation*.—The provision of 2 16 lakhs for Minor Agencies is intended for the maintenance of (i) a British Consul for Portuguese India at Goa (Rs 400 per mensem), (ii) two Deputy Political Agents for Rewakantha (iii) the Combined Police for the Panchmahals district and the Rewakantha Agency, and (iv) for the payment of a fixed charge of Rs 1,02,400 to the Government of Bombay in respect of the political services of their officers and establishments

(b) *Expenditure*—The expenditure on Minor Agencies in Bombay has grown as shown below—

	1922-23	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32
Consul at Goa and the Rewakantha Deputies		22	25	20	16	15	16
Rewakantha Police		82	83	96	94	1 00	1 05
Allowances, Supplies and Services, Works and Contingencies		08	07	10	09	10	10
Payments to Bombay Government		77	80	80	80	1 47	1 02
Deduct—Contributions from Indian States		— 25	— 19	— 19	— 17	— 17	— 17
Total	2 74*	1 64	1 76	1 87	1 82	2 55	2 16

* This figure is unadjusted and is not a safe guide for comparison

We may now deal separately with the various services named above

(c) *Goa Consulate*—The appointment of the British Consul for Portuguese India at Goa is under the control of the Foreign Office, London, and is apparently filled by a part-time officer, the provision of Rs 4,800 is for the payment of an allowance of Rs 400 per mensem by the Government of Bombay for his consular work. He is usually a member of the staff of the Madras and Southern Mahratta Railway

We consider this a satisfactory arrangement and, apart from suggesting that the feasibility of reducing the amount of the allowance might be reconsidered, we have no remarks to offer

(d) *Rewakantha Agency*—This agency is maintained for the sake of the States lying mainly north of the Narmada River. It is under the political control of the Government of Bombay. The Collector and Magistrate of the Panchmahals District (headquarters, Godhra), is, *ex officio*, the Political Agent. Under his control are maintained two Deputy Political Agents (pay Rs 325—25—800), whose cost is borne entirely by the central revenues. Presumably their main function is to help the Agent in the exercise of “residuary” jurisdiction

(e) *Our proposals*—(i) We concede that there is no considerable room for economy, but in the light of the actuals the provisions for allowances and contingencies might be reduced by Rs 1,500 in all. Even in 1929-30 the actual expenditure was Rs 1,000 less than the 1931-32 provision, and the scales for allowances have since been appreciably reduced by Government. So far as

we can see, the increased 1931-32 provision is mostly on account of contract contingencies, even then no serious difficulty need be felt in cutting down the provisions as proposed by us

(ii) Our main proposal, however, is that this Agency should be amalgamated with the Residency at Baroda. The fundamental conditions in this agency are similar to those in Mahikantha, and the arguments in paragraph (2) (d) (i) apply with almost equal force to Rewakantha also. The country is hilly and backward and there is a considerable admixture of Bhil and other aboriginal elements in the population. With the exception of Rajpipla, the States and Taluqas, though numerous, are all comparatively small and unimportant and in some cases "residuary" jurisdiction has to be exercised by the agency officers. The relations between the durbars and the nobility are essentially similar. Godhra is not far from Baroda and has excellent railway communication with it. The connections of the States in this Agency with Baroda are, if anything, even closer than those of the Mahikantha States. So far as reduction of expenditure is concerned, we shall take account of it under sub-paragraph (g) below.

(f) *Rewakantha Agency Police*—The arrangements about the policing of the Kathiawar, Palanpur, Mahikantha and Rewakantha agencies had a common origin (*vide* chapter X paragraph 4 pages 135-136).

As in Mahikantha so also in Rewakantha the police expenditure for which the current provision is Rs 1,04,600 is incurred in the thanas. Rewakantha Agency police was combined with the Panchmahals district police in 1906, one-fourth of the cost being debited to Rewakantha. The current provision is the estimated quarter share of the Government of India in the total provision (including contributions for leave salaries and pensions) for the provincial police establishment doing agency work.

Apart from the information which we have summarised above, we have no material to enable us to judge whether it is possible to reduce this expenditure. Hence, we are compelled to recommend that in connection with the amalgamation of Rewakantha Agency with Baroda Residency the police expenditure should be scrutinised afresh.

If it is then found feasible to continue the present arrangement, whereby the combined district and agency police serves the political agency also, it may be possible, in view of the comparatively more settled conditions in the agency tracts, to reduce the Government of India's share.

(g) *Contribution to the Bombay Government*—The Bombay Government still continue to discharge certain political duties on behalf of the Government of India. Owing presumably to the fact that numerous small states are to be found scattered all over the Presidency, it has so far been found more convenient to maintain political relations with them through the general administration officers of the Local Government. For the various political services rendered by the Bombay Government and their officers and establishments a lump sum payment is made to that Government. The table in paragraph 4 (b) shows the actual amounts of the contribution up to 1929-30. Considering that even so late as 1929-30 the amount paid was only 80, we hold that there

is a strong case for the revision of the arrangements under which the estimated contribution for 1931-32 is Rs 1,02,400. Under certain circumstances it may be an economical arrangement to get the central Government's work done through the agency of the Local Governments. But in this case we have come tentatively to the conclusion that Mahikantha and Rewakantha agencies should be amalgamated with the agencies under the direct control of the Government of India.

Prima facie, we think that the Residency at Baroda can also take charge of political relations with Cambay, Dharampur and other smaller states, most of which lie north of the River Tapti. The scattered nature of Baroda territories, whereby Baroda boundaries often march with the borders of these States, also appears to us to make it desirable that the Resident at Baroda should be placed in charge of political relations with them as well. We therefore recommend that this question should be considered.

In any case, in view of our recommendation about Mahikantha and Rewakantha, we think that the contribution to the Bombay Government should be considerably reduced. We are not in a position to work out a precise estimate of the resultant savings. But we think it likely that a saving of approximately one-half of the present provision will result. Even then the contribution to the Local Government will be almost two-thirds of the actuals of any year from 1926-27 to 1929-30.

(5) *Summary* — On our proposals the total reduction in Account I will be 98 lakh.

CHAPTER XVI

PUNJAB

(1) *Explanation of the grant*—Under the Punjab Circle of Account there is an aggregate provision of 12·72 lakhs for political expenditure. The following table shows the constituent items of each Account and the progress of the expenditure on each item.

	1913-14.	1922-23.	1926-27.	1927-28	1928-29	1929-30	1931-32
<i>Account I</i>							
A. Kashmir Residency	1 73	1 47	1 71	1 87	2 06	2 03	2 09
B. Gilgit Agency	81	95	1 39	1 14	1 59	1 58	1 79
C. Punjab States Agency	76	1·03	1 48	1 43	2 32	1 67	1 70
D. Kashmir Consulate	34	82	·50	95	·89	1 01	1 14
E. Ayub Khan Agency	07	07	04	04	04	04	04
F. Gartok Trade Agency	13	19	18	18	16	25	17
G. Payment to Punjab Government*			·50	58	61	57	58
H. Training of probationers			29	25	60	50	735
Total Account I	3 84	5 43	6 24	6 44	8 27	7 65	8 33
<i>Account II</i>							
I. Allowances to Dera Ghazi Khan tribes	10	12	13	13	13	13	13
J. Political Subsidies	08	08	07	11	·08	·11	09
K. Entertainment Charges	08	07	11	11	11	12	12
L. Refugees and State Prisoners.	2 29	1 16	90	7 86	84	80	78
M. Works						1 53	3 00
N. Miscellaneous	03	01	68	03	37	26	27
Total Account II	2 58	1 44	1 89	1 24	1 53	2 95	4 39
Grand Total	6 42	6 87	8 13	7 68	9 80	10 60	12 72†

The Inchcape Committee took note of the fact that expenditure on the Kashmere and the Punjab Agencies had grown from 6·93 in 1913-14 to 7·30 (budget) in 1922-23. It was given to understand that the Kashmere Durbar proposed to take over its medical arrangements which were then being looked after by the Residency Surgeon and that it would then be possible to employ a Residency Surgeon for only half the year, saving Rs 11,000. Other savings of Rs 8,750 and Rs 16,000 were proposed by the department in the case of the Kashmere Residency and the Gilgit Agency respectively. We thus conclude that the budget which that Committee recommended for political expenditure in the Punjab was 6·94 lakhs. Even omitting the entire provi-

* In respect of provincial establishment employed on political duties in the Simla and Dera Ghazi Khan Agencies

† The corresponding grand total in 1924-25 was 7·78 lakhs

sion of 3 00 under " works " the 1931-32 estimate is 9 72 showing a growth of 2 78 (equal to 40 per cent) during the period 1924-25 to 1931-32 To this growth should be added the considerable portion which now appears in the High Commissioner's budget

(2) *The agencies and other activities* —(a) For the maintenance of political relations with the States in and near the Punjab and Kashmere the following agencies and consulates are maintained The figures of cost are the estimates for 1931-32—

- (i) The Punjab States Agency incharge of a Resident of the First Class at a cost of 1 97 lakhs
- (ii) The Kashmere Residency incharge of a Resident of the Second Class at a cost of 2 09 lakhs
- (iii) The Gilgit Agency subordinate to the Kashmere Residency at a cost of 1 78 lakhs
- (iv) A Consul-General at Kashgar (in Chinese Turkestan) incharge of a British consular or diplomatic officer on British scales of pay at a cost of 1 14 lakhs
- (v) The Ayub Khan Agency incharge of a part-time Assistant Political Officer at a cost of 04 lakh
- (vi) The Agency of the Local Government of the Punjab (at a cost of 58) to look after the States situated in the Simla Hills and tribal relations in the tribal area near Dera Ghazi Khan
- (vii) The Trade Agency at Gartok in Tibet at a cost of 17 lakh It is the the third trade mart referred to in Chapter XII, the other two being Gyantse and Yatung

(b) Finally, there is a provision of 73 for the training of officers of the Political Department as probationers

(c) The items making up Account II are self-explanatory

We shall deal with the entire Account II separately The various items of Account I will now be dealt with *seriatim*

A —Kashmere Residency

(3) (a) *Introductory* —This Residency with headquarters at Srinagar in the hot weather and Sialkot in the cold weather is incharge of a Resident of the Second Class Kashmere is one of the first half a dozen of the Indian States The Political Agency at Gilgit, though provided for separately in the estimates, is under the administrative control of the Kashmere Residency We shall deal with Gilgit separately

The Resident (pay Rs 3,000 and sumptuary allowance Rs 500 per mensem) is assisted by two Assistants on the Political Department time-scale, the second Assistant works also as the British Joint Commissioner in Ladakh His headquarters are at Srinagar and Leh in Ladakh There is also a provision of Rs 19,200 for a Residency Surgeon, who, besides his pay, gets a special pay of Rs 150 for the hot weather and Rs 100 for the cold weather for medical attendance on military officers on leave and their families in Kashmere A

ministerial establishment of 18 (in 1930-31 the number of clerks was 16), a medical and customs establishment of 10 and an inferior establishment of 20 are also provided for

(b) *Expenditure*—The cost of the Kashmere Residency is 2 19 lakhs including Rs 10,000 for the payment of customs duty on arms and ordnance stores supplied to the Indian States “under” the Residency. This amount of Rs 10,000 is however provided for in Account II and will be dealt with in that connection

Of the remaining provision of 2 09 officers’ pay absorbs .87 and the pay of establishments accounts for .42. Among the other important items are Rs 6,000 for the Resident’s sumptuary allowance, Rs 31,200 for travelling allowances, Rs 5,600 (a new item in the 1931-32 estimates) for the cost of passages, Rs 4,900 for other allowances, Rs 2,000 for the maintenance of furniture, Rs 900 for secret service money, Rs 7,500 for tour charges, Rs 3,000 for medical contingencies, Rs 7,200 for other miscellaneous charges and Rs 2,300 for the pay of menials

The following table shows the progress of the expenditure —

	1913-14	1922-23	1921-25	1926-27	1927-28	1928-29	1929-30	1931-32
Pay of officers		05		88	83	00	95	87
Pay of establishment		37		39	39	38	38	42
Allowances		10		36	43	47	39	49
Supplies and Services	1 73		1 87	02	03	02	02	03
Secret Service					01	01		01
Contingencies		26		19	24	28	25	27
Deduct—Recovery from Kashmir Darbar.				— 12	— 05	.		..
Total	1 73	1 47	1 87	1 72	1 88	2 06	2 02	2 09

Against the total provision of 2 19 (including .10 under Account II) in the 1931-32 estimates the corresponding actual expenditure in 1924-25 was 1.87, i.e., 32 less. The following factors caused a gross increase of Rs 49,905 —

	Rs.
(i) Appointment of two additional clerks and revision of the pay of establishments sanctioned in 1930-31	1,700
(ii) Accrual of increments	2,108
(iii) Cost of passages	5,600
(iv) Increased provisions under—	
Travelling allowances	11,142
Other allowances	4,015
Supplies and Services	495
Durbar presents (there was no expenditure in 1924-25)	500
Secret service expenditure	900
Postage, etc	2,954
Tour charges	5,179
Other contingencies	882
Customs duty (a new item payable to the Army Department)	10,000
	36,067
(v) Accounting changes	36,067
	4,430

On the other hand a decrease of Rs 18,308 was caused by transfer to the High Commissioner's budget of the provision for overseas pay, etc., and by the posting of junior officers

(c) *Departmental offer* — A total reduction of 43 has been offered by the department, the principal component items being (i) abandonment of the annual visit of the British Joint Commissioner to Ladakh, (ii) abandonment of the move of the Kashmere Residency office to Gulmarg, (iii) discontinuance of the allowance to the sub-assistant surgeon, Kashmere Residency, and (iv) abolition of the posts of two clerks. The department adds that the question of abolishing the post of the Residency Surgeon is under its consideration

(d) *Our proposals* — While we approve of the economy measures proposed or already taken by the department, our own scrutiny of the budget of this Residency reveals much greater scope for retrenchment. Hence we do not merely recommend acceptance of the department's offer. Our proposals are —

(i) We cannot see sufficient justification for the employment of two Assistant Residents. Presumably they do secretarial work. But, even then we observe that some important Residencies and Agencies, e.g., Gwalior, Baroda, Hyderabad, Mysore, Madras States and possibly some others manage to carry on with appreciably less costly staff. Further, the subordinate Political Agency at Gilgit has its own staff on a liberal scale to look after the most difficult part of the political work in this frontier State. The superior secretariat staff of the Residency may, if one post of Assistant is abolished, have to be strengthened, but the pay of the new post need not be on the Political Department scale. For the present, however, we shall assume that the need for such reinforcement will not be immediately felt. In this connection we have taken due note of the department's proposal to effect some saving by the temporary abandonment of the annual visit of the British Joint Commissioner and his establishment to Ladakh, and also of its view that the abandonment of such visits should be only temporary. We hold that even if and when these annual visits are resumed, it should be possible for the work of the Residency to be carried on by a Resident and an Assistant or Secretary, during the latter's visit to Ladakh the work of the Residency should be carried on by the Resident himself. After duly weighing the *pros* and *cons* we definitely propose the abolition of one Assistant's post, saving '16

(ii) As regards the Residency Surgeon, we observe that although the department gave the Inchcape Committee to understand that it would be possible to employ a Residency Surgeon for only half the year, provision for the full year continues to be made. The department is considering the question of abolishing the post by arranging for the performance of his duties in future by the Kashmere medical mission. We recommend definitely that action should be taken on these or similar lines, enabling the post to be abolished. We have already expressed our view that

the attachment of superior medical officers to political agencies as a matter of course is now an anachronism—more so than it was in 1922-23. Although the department has not given its own estimate of the saving, we assume that it will not be appreciably below 15 (*viz*, Rs 19,200 minus, say, a grant-in-aid of Rs 4,200 which together with the allowance of Rs 600 already being paid will help to make a grant-in-aid of Rs 4,800 per mensem to the Kashmere medical mission and their hospital)

We have considered the question whether the medical establishment, *viz*, a Sub-Assistant Surgeon, a compounder and a chaprasi, working under the control of the Residency Surgeon can be reduced. This staff is required for the maintenance of the Residency dispensary in the interests of the Central Government's employees (Residency, Postal and Telegraph Department advisory staff, etc), stationed in Srinagar and also of the Kashmere Nursing Home—a Government-aided institution. We have thus come to the conclusion that this establishment should be maintained. On the other hand, the department itself has explained that an annual saving of about Rs 900 will be effected by the abolition of the British Charitable Dispensary at Leh, which was primarily intended for the use of the British Joint Commissioner and his staff and Central Asian traders. The Kashmere State have opened their own dispensary at Leh in charge of a sub-assistant surgeon, and we therefore agree that the British Charitable Dispensary is no longer necessary.

(*iii*) The sumptuary allowance to the Resident is as much as Rs 500 per mensem. We observe that the Residents at Baroda and Gwalior get no sumptuary allowance. We recognise that conditions in Kashmere are somewhat different from those in Baroda and Gwalior, all the same, we consider that the present rate is excessive. The sumptuary allowance should be reduced to a figure not exceeding Rs 250.

(*iv*) The provision for travelling allowance has gone up by Rs 11,442 since 1924-25. The rates have now been reduced. The annual visit of the British Joint Commissioner to Ladakh, the annual move of the Kashmere Residency Office to Gulmarg and the visits of inspections which used to be paid at irregular intervals to the customs posts at Domel and Jammu are going to be abandoned, at least temporarily. Hence, the provision for travelling allowances should be reduced by at least 20. We do not agree with the department in holding that the annual move of the Residency office should not be permanently abandoned. Srinagar enconced in the Himalayas at a latitude of 34° N is situated at an altitude higher than the altitude of many provincial summer headquarters and we can see no justification for the move to the still cooler heights of Gulmarg. Of course, we have no objection to the Resident himself going to Gulmarg if and when work requires it; our objection is to the systematic exodus to Gulmarg.

in the summer It cannot be said that even at that time Srinagar ceases to be pleasant as a place of residence We cannot justify an arrangement which, in effect, gives the Resident three authorised headquarters, *viz* , Srinagar, Gulmarg and Sialkot

- (v) The provision for other allowances should be reduced by 20 per cent , saving 01'
- (vi) We further presume that the provision of Rs 5,600 for passages in the 1931-32 budget will not have to be repeated , there was no provision for this item in the 1930-31 budget
- (vii) In the light of the actuals of 1929-30 the provision for secret service expenditure should be reduced to Rs 500 , saving Rs 400
- (viii) The provision for tour charges should, in view of the proposed abandonment of the visits of the British Joint Commissioner and of the Residency staff to Gulmarg, be reduced by at least Rs 2,500
- (ix) Miscellaneous charges should similarly be reduced from Rs 7,200 to Rs 5,000
- (x) While we agree that the entire provision of Rs 3,000 for medical contingencies cannot be deleted, it should, in view of the department's own proposal to abolish the *charitable dispensary* at Leh, be possible to save 01, in addition to the Rs 900 referred to in (d) (i) above
- (xi) Finally we suggest the amalgamation of the Punjab States Agency and the Kashmere Residency [*vide* paragraph 5 (c) (i)] *Prima facie*, a combined agency with seasonal headquarters at Lahore and Srinagar is feasible We doubt if such a Residency will have more difficult problems to handle than, *e g* , the Western India States or Rajputana or Central India Agency We have, however, not been able to examine the departmental witnesses orally in detail on this question, and are therefore content to propose that this question should be examined again from the point of view of permanent economy

(e) *Summary of savings* —On our proposals the total reduction of expenditure will be 67 In view of the possibility that some provision might be needed for passages even in 1932-33 we propose a slightly lower figure, *viz* , 65 for the reduction of expenditure which, we consider, is feasible and should be effected at least in the next few budgets

B —Gilgit Agency

(4) (a) *Introductory* —A Political Agency under the control of the Residency at Kashmere is maintained at Gilgit for the more effective control of political relations in the north-western portion of Kashmere State It comprises the frontier tracts of Hunza, Nagar and Chilas and certain other smaller tracts which are separated from the Kashmere valley proper by high

and difficult mountain ranges This country lies directly to the east of the northern portion of the tribal area covered by the Chitral Agency and most of it is under the direct administration of the Kashmere State It is essentially a frontier, area for the defence of which a military force known as the Gilgit Scouts is maintained, the cost being shared between the British Indian Government and the Kashmere Durbar in the proportions of 1 to 3

Besides his pay, the Political Agent at Gilgit gets a special pay of Rs 200 and a language allowance of Rs 200 An Assistant Political Agent is stationed at Chilas and gets a language allowance of Rs 200 per mensem, one half of which is borne by the Kashmere State The Political Agent at Gilgit is assisted by an Indian Assistant on Rs 300—20—400 A Medical Officer (on Rs 1,100 *plus* a special pay of Rs 200) is maintained at the cost of the Kashmere Durbar The Gilgit Corps of Scouts is officered by two officers, who, besides their rank pay, get a staff pay and a language allowance In addition, a part-time military officer is paid Rs 50 per mensem for performing the duties of military assistant to the Political Agent An establishment of 19 is maintained at a cost of Rs 22,700

(b) *Expenditure*—The total provision of 1 90 lakhs for this Agency includes 1 785 for political agency proper and Rs 3,200 for Entertainment Charges and Rs 8,600 for “Other Political Subsidies at Gilgit” Of the provision of 1 785 lakhs for the agency itself, officers’ pay absorbs 734 and the pay of establishments 227 Of the other provisions the most important are Rs 26,700 for travelling allowances, Rs 5,300 for passages, Rs 3,700 for grain compensation allowance, Rs 9,100 for military stores for the Gilgit Corps, Rs 3,500 for Durbar presents, Rs 2,000 for secret service money, Rs 5,200 for the construction of telephone lines and the maintenance of telegraph lines and Rs 10,400 for the Hunza-Misgar telegraph line The following table shows the progress of expenditure under Account I —

—	1913-14	1922-23	1924-25	1925-26	1926-27	1927-28	1929-30	1931-32
Pay of officers		45		65	62	58	59	73
Pay of establishment		13		17	20	18	21	23
Allowances		13		24	26	23	31	36
Supplies and Services		02		15	24	14	15	14
Secret Services				02	03	03	02	02
Contingencies		20		50	31	43	30	29
Grants-in-aid								02
<i>Deduct—Recovery from Durbar</i>				— 34	— 53			
Total	81	93	1 13	1 39	1 13	1 59	1 58	1 79

Compared with the actual expenditure of 1·13 lakhs in 1924-25, there has been an increase of Rs 77,386 in the total 1931-32 provision for this agency.

In fact, the increase is even larger, because a part of the expenditure has now gone to the High Commissioner's budget. The increase was caused by—

		Rs
(i) Creation of the appointment of Assistant Commandant of the Scouts and revision of pay of officers		13,550
(ii) Revision of pay of establishments, increments, etc		15,140
(iii) Passages		5,300
(iv) Increased provisions under—		
(a) Travelling and grain compensation allowance	12,256	
(b) Furniture	848	
(c) Durbar presents	1,505	
(d) Postage, tour charges and other contingent expenditure	2,628	
(e) Subsidies to the Mirs of Hunza and Nagar and the Governor of Ishkoman	1,450	
(f) Entertainment charges	266	
	<hr/>	
	18,953	18,953
(v) Accounting changes, viz, transfers of provisions—		
(a) From the Military estimates on account of military stores for the Gilgit Corps of Scouts, and	9,100	
(b) for the Hunza, Misgar telegraph line, and	10,400	
(c) recoveries from Indian States now shown as "Receipts"	25,405	
	<hr/>	
	44,905	44,905
(vi) Provision for passages of military officers		1,800

Even after allowing for the growth of expenditure due to accounting changes the expenditure on this agency may be said to have grown from 1 13 in 1924-25 to a figure well above 1½ lakhs

(c) *Departmental offer and our proposals*—The department has offered to reduce the expenditure by 14. We do not know the details nor the extent to which this offer involves permanent savings. In our opinion a real growth of expenditure from 1 13 in 1924-25 to about 1 54 lakhs in 1931-32 is not justified by the history of this agency since 1924-25. Our proposals are—

- (i) The post of Assistant Commandant of the Scouts is a recent creation. Although the Kashmere Durbar pays three-fourths of the cost of the Gilgit Scouts, we see no reason why this newly created post should not be abolished. We assume a gross saving of about Rs 10,000. The net saving to central Revenues will be only one-fourth.
- (ii) Since the Commandant of the Scouts is available, it should not be necessary to repeat the present provision of Rs 600 for military assistance to the Political Agent.
- (iii) We agree that for an outlying agency like Gilgit a medical officer is necessary. But we are not sure that it is necessary to maintain a costly medical officer on Rs 1,100 plus Rs 200. It is true that the Kashmere Durbar pays the cost but in our opinion that fact

by itself is not a valid reason for not reducing the status of the post. We shall, however, not take into consideration such saving as may result from this suggestion.

(iv) As in the case of the Kashmere Residency so also here we find that the expenditure on Allowances has grown up unduly fast during the last two years, *viz*, from 23 in 1928-29 to 36 in the current year. The various allowances should be reduced by about 09 as below —

(a) In view of the reduced scales for travelling allowances, the provision of Rs 26,700 should be reduced by Rs 2,700

(b) The provision for grain compensation allowance may perhaps be reduced by about Rs 700

(c) We presume that the provision of Rs 5,300 for passages will not have to be repeated in 1932-33 and that the whole of it will go to reduce the expenditure. Our final proposal however retains some provision for passages in future budgets

(v) Out of the provision of Rs 29,200 for Contingencies, Rs 15,600 is on account of telegraph and telephone lines. Besides expenditure on Contingencies is about the lowest since 1926-27. We therefore propose only a small reduction of Rs 1,200

(d) *Summary of savings* — While our proposals yield a saving of a little over 20, we recognise that provision for passages will have to be made in future years. We reckon that they will permanently reduce the expenditure by at least 17 lakh. This is the figure we shall take into calculation.

C — The Punjab States Agency (4 91 lakhs)

(5) *Introductory* — (a) This Agency comprises 13 States* with an area of 29,000 square miles, four are at present under administration owing to the minority of their rulers. The Agency headquarters are at Lahore and new buildings for the Agency are being put up there.

The Agent to the Governor-General is a First Class Resident (on Rs. 4,000 p m plus a sumptuary allowance of Rs 250 and a fixed travelling allowance of Rs 200) and has two Assistants on the Political Department time-scale. The clerical establishment numbers 28 and servants 19.

(b) *Expenditure* — Including the provision under Account II, *viz* 3 00 lakhs provided for the construction of the Agency buildings at Lahore, 11 provided for the payment of customs duty on arms and ordnance stores supplied to the Indian States under this Agency and Rs 1,000 provided for the firing of salutes, the total provision for this Agency in 1931-32 is 4 91 lakhs.

Of the total provision of 1 79 lakhs under Account I, officers' pay alone absorbs 773 and that of establishments 543. The other important provisions are Rs 24,900 for travelling allowances, Rs 1,800 for the maintenance of a Government car and Rs 10,900 for miscellaneous contingent expenditure.

Account II will, as usual, be dealt with separately.

*Patiala, Bahawalpur, Kapurthala, Nabha, Jind, Faridkot, Malerkotla, Sirmor, Chamba, Mandi, Bilaspur, Suket and Loharu.

The expenditure under Account I has grown as below —

	1913- 14	1922- 23	1924- 25	1926- 27.	1927- 28	1928- 29	1929- 30	1931- 32
<i>Account I.</i>								
Pay of officers		1 03		71	63	68	73	77
Pay of Establishment		55		42	46	50	49	54
Allowances	76	14	1 42	16	18	26	25	30
Secret Service								
Supplies and Services								02
Contingencies ..		21		19	16	14	21	16
<hr/>								
Total Account I	76 1 03		1 42 1 48	1 43	2 32*	1 68	1 79	
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The Agency buildings under construction at Lahore are estimated to cost nine lakhs, of which 6 31 is estimated to be the outlay up to the close of the financial year 1931-32

Against the total provision of 4 91 lakhs in the current year the corresponding actual expenditure in 1921-25 was 1 42 lakhs. Excluding 3 00 provided for the Agency buildings, the expenditure has grown during these seven years from 1 42 to 1 91 lakhs. The net increase of a little over 49 was caused by a gross increase of 60 counter-balanced by a decrease of 11. The raising of the status of the Agency from the Second to the First Class involved an additional recurring expenditure of Rs 13,800 (*viz.*, 12,000 on the pay of the A G G and Rs 1,800 for the maintenance of a motor car). The appointment of four additional clerks (Rs 1,960), provision for secret service expenditure (Rs 100), salutes (Rs 1,000), customs duty (Rs 11,000), increased provision for touring (Rs 19,110), and for leave salary and increments (Rs 13,313) are the other items contributing to an aggregate increase of Rs 60,613. On the other hand the transfer of the provision for sterling overseas pay to the High Commissioner's budget and the posting of junior officers has effected a reduction of Rs 9,371, and as a result of the recent ten per cent cut in the provision for contingencies there has been a further decrease of Rs 1,761 under "Contingencies". Taking out the 3 00 lakhs for the Agency buildings, Rs 11,000 for customs duty and Rs 1,000 provided for salutes but adding the approximate provision in the High Commissioner's budget it may be said that as compared with 1924-25 this Agency is now costing about 47 (*viz.*, 33 per cent) more.

(c) *Departmental offer and our proposals*—The reduction offered by the department is 05. We consider it inadequate and make our own proposals.

(i) *Question of amalgamation*—We shall first deal with the question of amalgamation and thereafter suggest specific economies. This was examined in 1922. The department's view was and is that amalgamation with the Kash-

*Includes 74 for works which is now provided for under Account II

mere Residency or the Rajputana Agency is not possible. Its arguments may be summarised as below —

- (I) The Kashmere Residency not only looks after Kashmere State but also after the frontier tracts of Hunza, Nagar and Chilas which together with other smaller tracts under the Gilgit Agency cover an area of 94,000 square miles. One A. G. G. would not be able to look after such a large area, particularly since Kashmere is a large frontier State and both Srinagar and Jammu are only accessible by road.
- (II) The amalgamation would be unpopular with the rulers of the States concerned.
- (III) No saving would result, since reduction in personnel would be counter-balanced by increase in travelling allowances and other charges, especially on the moves between Lahore and Kashmere.

The department's arguments do not appear to us to make out a strong enough case against amalgamation. For the maintenance of political relations in the north-west of Kashmere there already is a special though subordinate agency. Secondly, we observe that the Resident in Kashmere moves from Srinagar to Sialkot and again from Srinagar to Gulmarg. Similarly the Agent to the Governor-General of the Punjab States also moves up to the hills—at any rate for a part of the hot weather. Some of these moves would become superfluous, if the headquarters of the amalgamated agency are fixed at Lahore in winter and Srinagar in summer. The present provisions for travelling allowances, rents, rates and taxes, tour charges and other miscellaneous charges in these two agencies are as below —

	The Punjab States Agency	Kashmere Residency
Travelling allowances	24,900	31,200
Tour charges	..	7,500
Miscellaneous contingent charges	10,900	7,200
Pay of menials		2,300
Postage and Telegrams	5,000	6,600

These liberal provisions show that the savings on the reduction of personnel by the amalgamation of these two agencies need not by any means be swallowed up by additional expenditure on account of the move from Lahore to Srinagar. To us the amalgamation appears to be a natural and practicable measure of economy and we recommend that the position should be examined afresh.

While *prima facie* we think that the amalgamation of this agency with the Kashmere Residency is feasible, we do not rule out the possibility of the balance of advantage being found in amalgamation with the Rajputana Agency. For the present, however, we are satisfied with the department's case against amalgamation with Rajputana.

(iv) We have considered whether any reduction of superior personnel is possible. The department's view may be summarised as below —

This A. G. G., unlike other First Class Residents has no local political officer under him. Of the only two officers, *viz*, a Secretary and an Under-Secretary,

one or the other has to accompany him on tour in the States and to the hills in the summer, the other remains at headquarters to run the office. The A G G. will not be able to carry on his duties if he is left with only one officer to assist him.

We do not consider it necessary that the A G G should be accompanied by one or the other of the two officers as a matter of course. We presume that the A G G is merely permitted to recess in the hills, if so, we do not see why the usual practice, *viz*, that officers recessing in the hills do not take with them their Assistants, should not be applicable to this case also. Further, we observe that this A G G has to deal with only thirteen states and, so far as we are aware, he has no "administered areas" to look after. The topography of most of the states is such that boundary disputes which generally cause a certain amount of work in the agency offices are not likely to be as numerous as, *e g*, in Central India or Rajputana. We are strongly of the view that the Under-Secretary's post can be abolished and we recommend accordingly. The direct saving will be only Rs 9,600. But the consequential savings under travelling allowances and contingencies, etc, will, we estimate, yield an aggregate saving of about .18.

(iii) Since 1924-25 clerical staff has been strengthened by the addition of four clerks. Ten per cent. of the clerical establishment, *i e*, 3 posts should be abolished, saving .05.

(iv) The department has offered .05 under travelling allowances. This offer in effect merely amounts to an offer to reduce the provision to the level of the actuals of 1929-30. We cannot see sufficient justification for an increase of Rs 19,440 in the provision for touring charges in the course of seven years, and we recommend that the provision for allowances, etc, should be taken back to the figures of 1924-25, 1926-27 or 1927-28.

We have, generally speaking, recommended reduction by one-half of sumptuary allowances to political officers. In this case, however, it may be reduced to Rs 150 p m.

We assume a total reduction of .13 under this head.

(v) If the provision for Allowances is reduced as proposed by us, the provision for a motor car at public expense, *viz*, Rs 1,800 may be left as it is. We may, however, draw attention to the unduly liberal provision of Rs 15,000 made in the 1930-31 budget for the purchase and maintenance of a motor car for the A G G. We think that the dignity of the A G G's office would not have suffered if a cheaper car costing not more than about half that amount had been purchased.

(vi) At this stage we make no recommendation about the Agency buildings. If our presumption, that some provision will be needed in 1932-33 to complete the buildings, is correct, such provision may be treated as additional to the budget proposed by us.

(d) *Summary of savings.*—On our proposals the total reduction of expenditure will be 3.00 (works) + about .30 from specific proposals and suggestions. For the present we leave out of consideration the reduction resulting from "amalgamation". We take account of saving under works in chapter XX.

D.—British Consul-General at Kashgar

(6) (a) *Introductory*—The history of this Consulate-General goes back to 1893 when the Government of India stationed an officer at Kashgar under the designation of "Special Assistant for Chinese Affairs to the Resident in Kashmere" In 1904 the designation was altered to that of British Consul The Chinese official recognition of the British Government's claim to consular representation at Kashgar was accorded only in 1908

The Consul-General's pay is fixed in sterling at £800—25—1,000 *plus* an acting allowance of £337/10 per annum and a local allowance of £100 per annum He also gets a sumptuary allowance of Rs 250 p m and a special pay of Rs 250 p m We observe that the Consul-General's pay is shown on the Political Department time-scale, but we presume that the officer is drawn from the British Consular Service

The Vice-Consul gets a pay of Rs 850, a special pay of Rs 150, a fixed travelling allowance of Rs 175 and sterling overseas pay of £25 The post, however, is a recent creation

Besides a permanent establishment of 4 clerks and one medical subordinate there is a provision for the employment of temporary establishments, the 1931-32 estimates also contain a new item of Rs 2,500 for additional medical department establishment

(b) *Expenditure*—Apart from the provisions for the pay of officers and establishments, the important provisions are Rs 23,500 for travelling allowance, Rs 3,200 for house-rent and other allowances, Rs. 3,500 for Durbar presents, Rs 11,300 for office allowance and Rs 3,000 for contributions

The following table shows the growth of expenditure —

	1924-25	1925-26	1927-28	1928-29	1929-30	1931-32
Pay of Officers	82	13	·29	34	33	34
Pay of establishment		10	11	14	16	17
Allowances, etc		21	42	28	·22	31
Supplies and Services		.	01		·03	04
Secret Service		05	05	05	·05	08
Contingencies		07	07	07	21	19
Grants-in-aid				.	.	03
Total	82	56	95	·88	1 00	1 14

Compared with 1924-25 the expenditure has grown by ·33 and compared with 1925-26 it has a little more than doubled The appointment of a Vice-Consul (Rs 11,900), provision for temporary establishments (Rs 2,800), additional medical establishment (Rs 7,000), appointment of an additional clerk (Rs 2,100), accrual of increments (Rs 1,719), outfit allowance for the Consul-General (Rs 1,000), increased provision under Allowances (Rs 11,200), a new provision for Durbar presents (Rs 3,500), increased provision under Secret Service (Rs 1,757), and provision for leave, pension and passage contribution (Rs 3,000) are the factors that contributed to a gross increase of ·46 in the expenditure On the other hand the transfer of the provision for overseas pay to the High Commissioner's budget and the appointment of a junior officer

and the fact that the 1924-25 expenditure included the provision on account of the joining time pay necessitated by a change in the incumbency of the Consul-General's post contributed to a decrease in the expenditure by Rs 11,502. Further, the withdrawal of the wireless has reduced the contingent expenditure by Rs 1,905. The net increase of expenditure thus amounts to .33. In fact, allowing for overseas pay paid out of the High Commissioner's budget, the expenditure has during the last seven years grown by about 44, i.e., by a little under 54 per cent.

(c) *Our proposals*—The department has offered a reduction of 19, the principal item being the abolition of the recently created post of Vice-Consul. We hold that India has no vital political or commercial interests in Chinese Turkestan sufficient to justify an expenditure of over a lakh of rupees per annum. Hence, we cannot justify either the present scale of expenditure or the manner in which it has rapidly grown since 1924-25. Subject to our view that the entire liability should be taken over by His Majesty's Government and pending negotiations to that effect we propose that the expenditure should be reduced by 30 to about the level of the actuals of 1928-29. Further, the Vice-Consul's post, created since 1924-25, should, as contemplated by the department, be abolished.

The specific economies suggested by us below show that a reduction of expenditure by 36 is feasible. We shall, however, be content if the department effects a saving of at least .30.

(i) The abolition of the Vice-Consul's post will yield a saving of 12 in the Indian budget. The abolition of the confidential clerks' post which has been proposed by the department will yield, say, .03.

(ii) The new 1931-32 provision of Rs 2,500 for Medical Department establishment should also be deleted.

(iii) The provisions under travelling, house-rent and other allowances have increased by Rs 11,200 since 1924-25. Even in 1931-32 they were increased by Rs 4,500. A reduction of Rs 10,000 should be made in the total provision of .31.

(iv) The sumptuary allowance should be reduced to a figure not exceeding Rs 150 p.m., saving 01. This has been included in the saving of 10 proposed in (iii) above.

The total reduction of Rs 10,000 in the current provision of 31 for Allowances will still leave .21.

Considering that in 1929-30 the actual expenditure was 22 and that only one officer will now be left and also that the outfit allowance for the Consul-General was presumably a non-recurring item and will not have to be repeated, we think, our proposal to effect a reduction of 10 is feasible.

(v) The provision for secret service money should be reduced from Rs 6,000 to Rs 4,000, the actuals of 1929-30 being Rs. 4,845.

(vi) The provision for Durbar presents should be reduced from Rs 3,500 to about Rs 2,000. We may here add that in 1924-25 there was no provision for, or expenditure on, Durbar presents.

(vii) Our scrutiny of the other provisions shows that there is ample room for additional economies to the extent of about Rs 5,000.

In connection with the actual expenditure of 1929-30 we should explain that in that year the temporary appointment of Assistant Superintendent, Simla Hill States, on work connected with the Gartok Trade Agency cost Rs 4,866

In 1924-25 the actual expenditure on this agency was Rs 16,792, the budget provision for 1931-32 is Rs 17,200. The increase is accounted for by larger expenditure on travelling allowances

(c) *Proposals* —The expenditure is only 17 and except for the year 1929-30 has been fairly steady. Since it has been found feasible so far to manage this agency from Simla during the winter, the question of amalgamating it with the Simla Agency might be considered. We are aware of the department's objection to the giving up of representation of the Indian Government at the three Tibetan marts. But we consider that it is possible to provide for this by stationing only one official to work as trade agent and accountant. We do not see why it should be necessary to send out a medical man. Free medical treatment may be a comparatively cheap and easy way of paving the way for the establishment and maintenance of trade relations. If so, we suggest that a specially selected medical man suitable for work as trade agent and capable of controlling accounts might be selected. Since we refrain from making a definite recommendation, we propose to leave out of our calculation such savings as might result from our suggestion.

We should, however, add that what we have stated here is subject to what we have stated in regard to the general question of India's liability for expenditure on the "Trade Agencies" in Tibet (*vide* chapter XII, paragraph 14)

G—*Simla Agency and Dera Ghazi Khan Agency*

(9) Political control over the 27 states situated in the Simla hills is still exercised by the Punjab Government. The same Government is also responsible for political relations with the tribes occupying a strip of the tribal territory between Baluchistan and the Punjab district of Dera Ghazi Khan. For the performance of this agency work the local Government of the Punjab receives Rs 37,100 and Rs 19,600 in respect of the Simla and Dera Ghazi Khan agencies respectively.

The arrangements appear to us to be suitable and we propose no alteration therein. The amounts also appear to us to be fair. We have thus no reduction to suggest. In this connection our proposals in paragraph (7) may be seen.

H—*Training of Political Officers*

(10) We shall deal with this expenditure separately along with the corresponding provisions in the other provinces (*vide* chapter XXIII). Our proposals will reduce the expenditure by 37.

(11) *Summary* —On our proposals, the total reduction of political expenditure in the Punjab under Account I will be 4 47 lakhs as follows —

Kashmir Residency (67), Gilgit Agency (17), Punjab States Agency (3 30), Consulate-General, Kashgar (30), Ayub Khan Agency (03), Gartok Trade Agency (*nil*), Simla Agency (*nil*), Dera Ghazi Khan Agency (*nil*). Of this 3 00 will be taken account of under "Works" (Chapter XX).

CHAPTER XVII

OTHER AGENCIES AND RESIDENCIES

Bengal

(1) *Explanation*—The total 1931-32 provision for political expenditure in Bengal is Rs 52,800, viz, Rs 11,400 under Account I, and Rs 41,400 under Account II. We shall here deal with only Account I.

The following table, however, shows the progress of expenditure under both Accounts —

<i>Account I</i>	1913- 14	1922- 23	1924- 25	1926- 27	1927- 28	1928- 29.	1929- 30	1931- 32.
Pay of officers			086	088	074	065	064	•072
Pay of establishment		..	037	023	•025	027	023	•024
Allowances			012	043	006	001	001	•005
Contingencies			001	013	012	•014	•014	013
Total	14	•04	•136	•167	•117	107	102	114
<i>Account II</i>								
Refugees, etc ..	•05	.	•681	290	296	•288	•286	258
Miscellaneous and Other charges .	04		007	075	103	079	083	•156
Total	09	04	688	365	399	367	•369	414
GRAND TOTAL	23	•04	•824	532	516	•474	471	•528

(2) *Cooch Behar Agency*—The Commissioner of Rajshahi Division gets a special pay of Rs 300 per mensem from central revenues for the performance of duties as Political Agent, Cooch Behar State. A share of the salary of the Additional Superintendent of Police, Darjeeling, is also debited to central revenues.

The Cooch Behar Agency has a small establishment costing Rs. 2,400. The total provision for Political Agents is Rs 11,400 and the department has offered a reduction of Rs 1,000.

(3) Besides Cooch Behar there is another state in Bengal, viz, the State of Hill Tippera or Tripura. The Magistrate and Collector of Tippera district is, *ex-officio*, political agent for this state. But he does not get any special pay. Further, we note that there is no provision in the estimates for payment to the Government of Bengal for agency work done by their establishments including the Commissioner of Rajshahi Division, the Magistrate and Collector of Tippera and the Collector of 24 Parganas.

(4) *Proposals*—We have come across numerous cases (*e.g.*, the one quoted in paragraph 3 above) in which officers of the Provincial Government do not get any special pay for discharging political duties for the Government of India and therefore even if it is found impracticable to reduce the provision of Rs 3,600 for the special pay to the Commissioner of Rajshahi, the question why the payment should not be made to the Local Government rather than direct to an officer of that Government should be considered. We may here add that the Government of Assam have already reduced the special

pays and allowances of political officers under their control from Rs 400 to Rs 250 in one case and from Rs 400 to Rs 150 in the other. For purposes of calculation we shall assume that the special pay will be reduced by about one-half. Further, we recommend acceptance of the departmental offer of Rs 1,000, which we presume does not include any saving on the reduction of the special pay mentioned above.

The total reduction will be Rs 2,800.

United Provinces

(1) *Explanation* —The aggregate 1931-32, provision for political expenditure in the United Provinces is 1 87 lakhs, viz, 65 under Account I and 1 22 under Account II.

Account I —Out of 65 lakh Rs. 38,000 is the provision for political officers under training as probationers in the United Provinces and the balance of Rs 27,300 is the Central Government's share of the cost of the United Provinces Government's establishment employed on political work.

Most of the provision under Account II is for charges in connection with the late *Ex-Amir* of Afghanistan and Afghan Refugees and State Prisoners. We shall deal with this account separately.

(2) *Organisation* —With the States of Rampur, Benares and Tehri (Garhwal) political relations are maintained through the agency of the local Government. The Governor is, *ex-officio*, Agent to the Governor General and the Commissioners of Rohilkhand, Benares and Kumaon are the respective political agents.

(3) *Expenditure* —The expenditure has varied as below —

1922-23	1926-27	1927-28.	1928-29	1929-30	1931-32.
31	55	44	69	41	65

The growth of expenditure as compared with 1922-23 is due to (a) the increased provision for the training of probationers of the Political Department and (b) an increase of 09 in the contribution to the Local Government due to the inclusion of leave and pensionary charges which had not formerly been claimed by the Local Government.

In 1922-23 no expenditure was incurred on the training of probationers.

(4) *Our proposals* —The department has proposed no reduction. So far as the payment to the Local Government is concerned, we consider the present arrangement satisfactory and economical. As regards probationers under training who are deputed to other provinces also, we propose to make a consolidated recommendation in this respect. *Vide* Chapter XXIII.

Burma.

(1) *Explanation*. —Besides the provision of 61 71 lakhs for the "Watch and Ward" of the Burmese frontier, of which some portion is, in essence, "Political expenditure", the 1931-32 estimates contain a provision of 2 62 lakhs for Burma directly under head "Political".

That province comprises various backward areas, the most important of which are the Shan States with an area of 50,309 square miles and a population of 1,200,000 (1921 Census) and the Chin hills with an area of 10,250 square miles and a population of 1,40,000. The political officers advise and assist the 48 Shan and Karen chiefs, who administer the Shan States and the Karenni. They are also responsible for the maintenance of peace on the border. In the Chin hills the officers have to deal with a large number of villages belonging to different tribes speaking different dialects, in other respects, their duties are similar to those of officers in the Shan States.

As the country covered by Chin hills is a "backward tract", the expenditure is borne by central revenues, the subject of "backward tracts" being central. The Federated Shan States are governed by the Governor of Burma and the expenditure is not included in the central estimates. The revenues of the Shan States are allocated not to the Government, but to the Governor, of Burma for the purpose of the administration of these States.

The system of administration is loose and is still confined to bare necessities. It is claimed that as Pax Britannica extends its sway, the administration tends to become more intensive and more costly.

(2) *Expenditure*—The total provision of 2.62 lakhs is, as usual, divided into two Accounts—I and II. The former amounting to 1.94 lakhs relates to "Agencies and Residencies" and the latter—68 lakhs—to entertainment charges, refugees and state prisoners, grants and compensations. Account II will be dealt with separately.

Of the 1.94 lakhs under Account I, officers' pay absorbs .83 and that of establishments, .38. Travelling, house-rent, and other allowances account for .46. The only other important provision is that of Rs 17,500 for contract contingencies.

The expenditure under each Account has varied as shown by the following table—

	1922-23	1924-25	1926-27	1927-28	1928-29	1929-30	1931-32
<i>Account I</i>							
Pay of officers	1.94	.66	.64	.84	.80	.70	.84
Pay of establishment	.90	.31	.31	.32	.32	.32	.38
Allowances	.69	.42	.42	.44	.40	.42	.46
Supplies and Services	.08	.01	.02	.01	.06	.02	.03
Contingencies	.27	.12	.12	.21	.17	.21	.22
Grants-in-aid			.01		.01	.01	.01
Total Account I	3.88	1.52	1.52	1.82	1.76	1.68	1.94
<i>Account II</i>							
Entertainment charges	.03	.02			.01	.02	.03
Refugees, etc	.02	.13	.40	.50	.45	.87	.51
Miscellaneous and Other Charges			.13	.14	.13	.13	.14
GRAND TOTAL	3.93	1.67	2.05	2.46	2.35	2.70	2.62

As regards Account I, the principal items which contributed to the growth of expenditure from 1 52 in 1924-25 to 1 94 in 1931-32, are —

- (a) Increase of pay of Extra Assistant Commissioners from Rs 200—1,250 to Rs 400—1,250 and the provision of Rs 6,000 in 1931-32 for leave salary. The increase so caused has been partly counter-balanced by the abolition of a post of Superintendent on Rs 450—2,250
- (b) Addition of 22 clerical and menial posts, on account of the new area added to the Chin Hills charge
- (c) Increase under Allowances, Supplies and Services and Contingencies for the same reason. There is also a non-recurrent provision of Rs. 3,990 for the construction of quarters and stable for the mule establishment of the Assistant Superintendent at Kampetlet
- (d) Accrual of increments.

(3) *Organisation* —There are seven political officers—a Superintendent (pay Rs 450—2,250) and six Assistant Superintendents (paid at rates varying from Rs 400—1,250). An establishment of 66 (myooks, interpreters, clerks and servants) is maintained at a cost of Rs 3,800

(4) *Our proposals* —No saving or reduction of expenditure has been offered by the department. We observe that in spite of the reduction of a post of Superintendent the expenditure, as compared with 1924-25, has grown by Rs 94,489 in the aggregate and even in Account I by 42 lakh. The Inchcape Committee was informed that it was proposed that the Central Government should make a fixed contribution for political expenditure. On the ground that it was undesirable that while the Local Government was responsible for the administration, the Central Government should be liable for increased expenditure, that committee recommended that the proposal should be adopted. We do not know why this recommendation was rejected, we consider it was sound and we reiterate it. We see little reason why this isolated backward tract should not be left more to itself. We observe that philanthropic motives were urged in support of the present policy, viz, that if *Pax Britannica* is not gradually placed on a firm basis in this area, tribal feuds, murders and enslavement would continue. Assuming that this is the real or the main consideration, we can still see no reason why the central taxpayer should be made liable for expenditure capable of indefinite growth.

Considering the backwardness of the tract and the loose administration obtaining therein, we are doubtful if the receipts to the central revenues are, or will ever be, appreciable. Though we do not accept the validity of the reasons adduced in defence of the increase of over 50 per cent in the expenditure during the last seven years, we shall not go so far as to recommend that the provision should be reduced to the 1924-25 level. We propose that the saving of 37 from the specific proposals made by us below should be effected and as recommended by the Inchcape Committee the expenditure should be stabilised—we suggest stabilisation at 2½ lakhs—and the Local Government of Burma should be invited to undertake the administration in consideration for an annual payment not exceeding 2½ lakhs.

Our specific proposals are —

- (a) Two of the six posts of Assistant Superintendents should be abolished Establishment, which numbered 58 last year but has been pushed up to 66 in the current year, should be reduced to at the most 60 A saving of at least 20 should be effected on staff
 - (b) The provisions for Allowances, Supplies and Services and Contingencies should be reduced by 11 in the aggregate Even then the provision will be Rs 5,000 more than in 1924-25
 - (c) We also assume that the omission of the non-recurrent provision of Rs 3,900 for the construction of quarters and stables will automatically reduce the future provision by 04
- (5) *Summary of savings* — 37 lakh

Bihar and Orissa

(1) *Introductory* — The Orissa Agency comprises 26 States with an area of 28,664 square miles and a population of 4 64 million Seven of them are at present under the direct administration of the Local Government owing to the minority of their rulers The fact that all the States do not possess plenary jurisdiction gives rise to the problems of “residuary jurisdiction”

The Agency is manned by a “Political Agent and Commissioner for the Orissa Feudatory States” (pay Rs 2,150 *plus* overseas pay plus a duty allowance of Rs 250*) and an Assistant Political Agent on Rs 1,200 The former has powers corresponding to those of the Board of Revenue under any law for the time being in force in the district of Angul and, broadly speaking, the ordinary powers of a High Court as defined in the codes The latter has the powers of a Court of Sessions in some of the States The Deputy Commissioner of Angul District is also Assistant to the “Political Agent and Commissioner” and tries sessions cases from certain States but gets no special pay or allowances on that account

An Agency Forest Officer on Rs 850 *plus* overseas pay *plus* a special pay Rs 200 is also employed

The ordinary establishment of 57 clerks, servants, etc., costs 35 and the forest establishment costs Rs 2,100

(2) *Expenditure* — Of the total provision of 1 30 lakhs officers’ pay accounts for 47 and ordinary establishment costs 35 The provision for travelling allowance is Rs 12,000 The forest officer and his office account for a little over 20 The only other important provision is that of Rs 7,000 for the demarcation of the Nepal border

* The estimates show a special pay of Rs 500 This is due to the fact that the Local Government are empowered to raise the duty allowance of Rs 250 to Rs 500 per mensem. When a senior officer who would otherwise be commissioner of a division has to go on working as Political Agent, the duty allowance is generally raised

The expenditure has grown as below —

	1924-25	1926-27	1927-28	1928-29	1929-30	1931-32
<i>Account I</i>						
Pay of Officers		46	59	50	58	60
Pay of establishment		33	36	35	35	37
Allowances		13	14	16	16	16
Contingencies		09	08	10	09	08
Grants-in-aid			03	02	02	02
Supplies and Services				01		
Total Account I	.	101*	1 20†	1 14	1 20	1 23
* Minus 18 recoveries † Minus 29 recoveries						
<i>Account II</i>						
Demarcation of Nepal border					05	07
GRAND TOTAL	90	83	91	1 14	1 25	1 30

Account II will, as usual, be dealt with separately

Under Account I, there has been an increase of Rs 32,878 since 1924-25 Recoveries amounting to Rs 11,544, which used to be taken in reduction of expenditure, are now credited as revenue. Further, the whole of the cost of the Agency Forest Officer (amounting to Rs. 20,100), shown in the estimates since 1926-27, is recovered from the States and credited as revenue. The small balance represents genuine increase of expenditure and is made up of minor items

(3) *Our proposals*—The department has offered a reduction of 13 lakh, which presumably includes 07 provided for the demarcation of the Nepal border. It has urged that a self-contained Agency is necessary for the Bihar and Orissa States and that the utilisation of the local district officials is not feasible. Pending an examination of the question of the status and the future control of the States the department is unable to suggest any change in the existing arrangements. In the main, we accept this view. But we consider it feasible to abolish the post of Assistant Political Agent. The Deputy Commissioner of Angul already performs judicial functions in some of the States, if it is found necessary to afford further relief to the Political Agent in his judicial work, which appears to be the main function of the Assistant, it might be possible to provide it by empowering the district staff of the adjoining districts to deal with cases arising in the States.

On the analogy of the present arrangement no payment would have to be made to the Local Government for the services of other officers.

Apart from this we recommend acceptance of the departmental offer.

(5) *Summary of savings*—The reduction will be .20 as below —

.067 } departmental Officer out of which .07 has been taken into
 .07 } account in Chapter XX.
 .14 Assistant Political Officer

Central Provinces.

(1) *Introductory*—The charge of the Political Agent, Central Provinces Feudatory States, comprises 15 States in the Chhattisgarh Division of the Central Provinces Six of these are at present under "administration" owing to the minority of their rulers Political relations are maintained through the agency of the Local Government, who however get no payment for this agency work

Up to 1882, the administration of these States was supervised by the Commissioner of the Chhattisgarh Division and the Deputy Commissioners of the districts to which they were attached In that year it was decided to place them under the charge of a whole-time Political Agent on Rs. 1,150—2,500 *plus* a special pay of Rs 250 He has a small special establishment costing .15, its strength is not known to us

(2) *Expenditure*—Apart from the pay of the Political Agent and his establishment the only important provision is Rs 300 for miscellaneous contingent charges

The following table shows how the expenditure has grown —

	1913-14	1922-23.	1924-25	1926-27	1927-28	1928-29	1929-30	1931-32
<i>Account I</i>								
Pay of Officers				29	30	23	.24	.28
Pay of Establishment				16	.16	.16	15	.15
Allowances		64		06	04	04	03	.04
Contingencies				03	04	.03	03	.03
Grants-in-aid					01	01	01	.01
Deduct—Recoveries		— 27		— 26	— 20	.	— 07	.
Total	28	37	37	28	35	47	39	.51

The apparent increase of Rs 13,921 since 1924-25 is nominal Recoveries, which were then taken in reduction of expenditure, are now credited as revenue But as explained below the recoveries are much smaller now than before 1929 The gross expenditure shows a decrease of 13 due to variations in the pay of the officer and the establishments We may now explain two changes of some importance

In 1929, the basis on which contribution had been levied from the States under direct management was revised [*vide* paragraph 3 (*vi*) *infra*]. This revision has placed an additional burden of .20 on central revenues

The contribution of the States under direct management has been increased during the current year from $\frac{1}{4}$ per cent to $\frac{3}{8}$ per cent of the total income of the contributing States and is subject to reconsideration should the percentage be considered too low The increased revenue as a result of the revised arrangement is estimated to amount to Rs 4,781 in the current year.

(3) *Our proposals.*—(i) No saving or reduction of expenditure has been offered by the department

(ii) We recommend that a reduction of Rs 2,000 should be effected. Our specific suggestions which will enable the proposed reduction to be effected are —

(a) Abolition or at least reduction of the special pay* of the Political Agent

(b) Reduction of establishment by, say, 10 per cent

(c) Reduction of the provision for contingencies by Rs 500

Our reasons for each suggestion are —

(a) The charge is by no means onerous and though it involves work in certain respects different from district work, it has so many compensating advantages attached to it that no special pay should be necessary to continue to attract suitable men to the post

(b) We concede that the expenditure on the establishment has not grown, but we think it can perhaps bear some reduction not exceeding 10 per cent

(c) The proposed reduction will still leave the provision for contingencies at approximately the level of the actual contingent expenditure in 1929-30. In view of the fall in prices it should not be difficult to effect the reduction proposed by us

(iii) Further, we do not see why the arrangement under which the States under "administration" used to contribute not only towards the Political Agent's pay proper but also towards his special pay and leave and pensionary charges and also towards establishment and contingent charges was considered inequitable. To us the validity of the view that such States should not be called upon to pay more than the cost of the extra establishment entertained for their management appears to be doubtful. It ignores many of the important items of expenditure from central revenues which would not be necessary if States had not to be managed by the Paramount Power during the minority of the feudatory rulers. The nearest analogy to "administration" that we can think of is the management of estates by the Courts of Wards in the provinces. We understand that they charge a certain percentage (in the U P it is 10) of the gross income of the estate in question, this is the estate's contribution to the provincial revenues towards the assumed cost of superior supervision. This actual provincial practice supports our provisional view that a State which receives the services of the officers maintained from central revenues should make a full contribution representing the total real cost of those services

* Though this is not mentioned in the Estimates, we gather from the department's replies to our questionnaire that it is paid.

Assam.

(1) *Introductory*—Political expenditure in this province relates to —

(i) The Political Agency at Manipur A political agent (special pay Rs 200), a Medical Officer (pay Rs 1,000 *plus* overseas pay Rs 300 and a compensatory allowance Rs 100) and a Registrar (pay Rs 200—500), are the three officers* maintained in connection with the Manipur Agency The ministerial staff numbers 50 and costs Rs 19,000 A provision of Rs 8,000 has also been made for payment to the Assam Government in respect of the “loose political control” exercised over certain tracts of the Naga and Lushai hills The total provision for 1931-32 is 80 lakh

(ii) The administration of tracts on the North-East Frontier declared “backward”† under Section 52 (A) (2) of the Government of India Act Government’s accepted policy in regard to these tracts is to maintain a system of loose political control over the savage and backward tribes who inhabit this region, and to prevent them from raiding into British India, but otherwise to abstain from interference with their affairs, subject to the fulfilment of international obligations In pursuance of this policy, two Political Officers, three Assistant Political Agents, a ministerial establishment numbering 98 and costing Rs 32,000 and Medical and steam launch establishments costing 02 are maintained Medical expenditure is in fact 58 lakh and is provided under the grant for “medical services”

The total 1931-32 provision in respect of these tracts is 1 13 lakhs

(iii) Miscellaneous charges, the 1931-32 provision for which is .31

(2) *Expenditure*—The following table shows the progress of expenditure —

	1922-23	1924-25	1926-27	1927-28	1928-29	1929-30	1931-32
<i>Account I</i>							
Manipur							
Pay of Officers	29	46	42	45	41	50	452
Pay of Establishment	23	23	24	24	26	16	19
Allowances, etc	03	03	04	13	05	04	04
Supplies and Services	01	01	01	01	02	01	01
Contingencies	02	02	03	02	02	02	02
Grants and Contributions	01	01	01	01	01	14	09
Deduct—Recoveries		— 04	— 04	— 04			
Total Account I	59	72	71	82	77	87	802

* The estimates mention an Assistant Surgeon as well, but we have not been able to trace this officer in the Assam Civil List

† Garo Hills district, British portion of the Khasi and Jaintia Hills district other than the Shillong Municipality and Cantonment, Mikir Hills, North Cachar Hills, Naga Hills district, Lushai Hills district, Sadiya Frontier Tract, Balipara Frontier Tract, and Lakhimpur Frontier Tract

Account II

		1922-23.	1924-25	1926-27	1927-28.	1928-29	1929-30	1931-32	
<i>Account II</i>									
Pay of officers	..	74	59	} 1 19	1 07	109	1 05	{ 463	
Pay of establishment	.	97	26						322
Other charges	.	.	19						32
Medical and steam launch establishment	..	1 27*	56*	56*	02	02	02	02	
Total	.	2 98	1 60	1 75	1 09	1 11	1 07	1 125	
Other miscellaneous expenses..			06	06	06	08	06	.313	
Total	..	2 98	1 66	1 81	1 15	1 19	1 13	1 44	
GRAND TOTAL FOR ASSAM		3 57	2 38	2 52	1 97	1 96	2 00	2 24	

Analysis —(a) Half of the apparent increase of 082 in the cost of the Manipur Agency since 1924-25 was merely caused by accounting changes. The real growth is 04. The annual payment of 08 to Assam Government since 1929-30 shows that on other items the expenditure has gone down by .04, due mainly to the appointment of lower-paid officers (Rs 1,370) and decrease in establishment (Rs 3,494)

(b) If medical charges, since transferred to the Medical grant, be excluded, the expenditure on the administration of the backward frontier tract has increased by about Rs 6,500, mainly due to an increase of Rs 5,972 in the provision for the pay of establishments. The number of clerical posts is six more than in 1924-25 and the pay has also been revised. An increase of Rs 1,200 under the pay of interpreters and of Rs 500 under elephant establishment have also taken place. The decrease of Rs 12,348 under "Pay of Officers", is due to the appointment of lower-paid officers and the reduction of one of the four posts of Assistant Political Officers, but it has been counter-balanced by an increase of Rs 12,997 under Other Charges, viz, grant of local allowances (Rs 5,000) to the Political Officers and the Assistant Political Officers, purchase of boats and elephants (Rs 3,850) and certain miscellaneous charges (Rs 4,000)

(c) The increase of 25 under 'other miscellaneous charges' is due to the need for providing for expenditure in connection with a boundary settlement with Bhutan.

(3) *Our proposals* —The department has offered a reduction of 28 lakh, we do not, however, know the details

* The provision for the medical establishment is now shown under the head "Medical" hence the decrease in later years

Our own proposals are —

- (i) We observe that the political officers get the following special pays and allowances —

	Rs
Manipur—	
Political Agent, special pay .	200
Medical Officer, compensatory allowance	100
N E Frontier—	
Political Officer—	
Special pay	250
Compensatory allowance	150
Political Officer—	
Special pay . . .	250
Compensatory allowance . .	150
Assistant Political Agent, compensatory allowance .	75
Assistant Political Agent—	
Special pay	50
Compensatory allowance . .	75
Assistant Political Agent—	
Special pay . .	100
Compensatory allowance	75

The department has in the course of its replies to our questionnaire informed us that in the interests of economy the Assam Government have reduced the special pays and compensatory allowances as below —

Political Officer, Sadia frontier tract, from Rs 400 in all to Rs 250

Political Officer, Ballipara tract, from Rs 400 to Rs 150

We greatly appreciate this action of the Assam Government and propose that the special pays and allowances in the case of other officers should also be reduced—not necessarily by a uniform percentage but in such a way as to yield an aggregate saving of 50 per cent of the present provision. This saving will amount to about Rs 9,000

Life on the North-East Frontier presumably is harder and the amenities are likely to be fewer than in the case of the Manipur Agency. We therefore think that it should not be difficult for the Assam Government to reduce the special pays and allowances in the case of the Manipur Agency at least on the same lines as the reduction already effected in two cases on the North-East Frontier

- (ii) We observe that the strength of the establishment has gone down a little and that expenditure has decreased roughly by Rs 3,500. Hence we do not make any definite recommendation

- (iii) In the light of the actuals of 1929-30 a reduction of Rs 300 in the provision of Rs 1,300 for miscellaneous and petty supplies and Rs. 200 in miscellaneous office contingencies should not be difficult
- (iv) As regards the North-East Frontier we hold that there is much more room for reduction of expenditure. One officer's post should be abolished. In view of the distance that separates the Sadia frontier tract from the Ballipara tract it may not be found feasible or economical to manage with only one political officer for both the tracts. We shall therefore assume that one of the Assistants' posts will be abolished, even then the saving will be about 06
- (v) We have already noted that the number of clerical posts has gone up considerably since 1924-25. We think a ten per cent reduction of the establishments should therefore be fairly easy to effect, saving 03
- (vi) Further we draw attention to the abnormally high provision for other miscellaneous charges. We have been told that this is due to a boundary settlement with Bhutan. We presume that the settlement can wait for some years and alternatively that the expenditure can be spread over some years. We recommend that the provision for 1932-33 for this service should be reduced by 20

(4) *Summary of savings* —The specific proposals made by us above yield a reduction of a little over 34 in the political expenditure in Assam. For purposes of this chapter we assume a saving of 14, the reduction of 20 under paragraph 3 (vi) above being taken into account in Chapter XX

CHAPTER XVIII

PERSIA, ARABIA AND THE PERSIAN GULF LITTORAL

In this chapter we propose to deal with diplomatic and consular expenditure in Persia and the Gulf Littoral. Two of the three Political Agencies on the Arabian side of the Persian Gulf, *viz*, those at Bahrein and Muscat, the Directorship at Gwadur and the Trade Agency at Duzdap, though provided for under Account I, will also be dealt with in this chapter.

(1) *Introductory*—Owing to their common border with Turkey, Arabia, Afghanistan and Baluchistan, Persia and the Persian Gulf Littoral occupy a political and strategic, especially naval, position in which India has for about a century taken some interest. Various foreign powers have in the past competed for influence at the Persian Court and the security of the British Empire in India was at one time considered to be seriously threatened by Russia's naval designs in the Gulf and her railway schemes in Persia, the French project of a naval base in the Gulf of Oman and Germany's project of a railway linking Europe with Baghdad and Koweit. In 1907 Persia was partitioned into Russian and British spheres of influence and her independence was menaced for some time. The Great War, however, has changed what at one time appeared to be her inevitable fate, and the menace to her independence is considered to have disappeared. She has improved her international status and importance. The emergence of republican Turkey, nationalist but not imperialistic in its outlook, of Communist Russia, of the new state of Hedjaz *cum* Nejd and the revolution that has taken place in Afghanistan's status and outlook since 1919 have changed the nature and importance of the political interests of Great Britain and India, respectively, in the Middle East. These factors have to be borne in mind for a proper appreciation of our conclusion that several of the political agencies, consulates and vice-consulates in Persia and Arabia which had been set up to protect Britain's imperial interests in the Middle East before the war appear to us now to be mere relics of the old and now somewhat obsolete Anglo-Russian policy in relation to Persia.

Authority controlling the Middle-East policy—At the outset we may also note the most important fact of the situation, *viz*, that the "middle east policy" which includes the relations with Persia and Arabia, is entirely under the control of the Foreign Office of His Majesty's Government and not of the Government of India or the Secretary of State for India. In the circumstances however, the Foreign Office, as was to be expected, naturally utilises the agency of the Government of India for purposes of advice and in some cases ordinary administration.

(2) *Expenditure*—The table below shows the progress of expenditure on each of the outposts—

	1913-14	1922-23	1924-25	1926-27	1927-28	1928-29	1929-30	1931-32
Ahwaz	40	73	1 90	28	25	27	27	29
Bunder Abbas	40	58	59	55	56	65	56	56
Bushire	2 60	7 29*	4 87	2 90	3 52	3 72	3 58	3 43
Kerman	46	81	83	85	64	1 52	83	71
Koweit	1 09	1 19	61	47	61	53	67	56
Kermanshah .		13						

*Includes charges for Despatch Vessel. These are now provided for under a separate grant.

	1913-14	1922-23	1924-25	1926-27	1927-28	1928-29	1929-30	1931-32.
Lingah	09	03	03	03	02	07	0 2	
Mohammerah	46	41	36	34	27	32	42	40
Shiraz		3 28	06	06	06	04	02	01
Persian Legation	1 42	2 07	1 26	79	53	42	21	19
Khorasan	1 42	1 40	1 63	1 54	1 31	1 17	1 18	96
Seistan	1 34	1 20	1 53	1 14	1 17	1 26	1 16	1 07
Duzdap				30	29	35	38	41
Muskat*	1 40	79	69	72	65	66	64	70
Bahrein	57	80	96	90	82	93	90	84
Gwadur			12	12	11	12	11	10
Duzdap Trade Agency				10	13	14	14	16
Total	11 65	20 71	15 44	11 09	10 94	12 17	11 09	10 39
Muskat subsidy	2 66	1 94	1 86	1 86	1 86	1 86	1 86	1 86
Despatch vessel†						1 20	1 20	1 20

Total for Persia and the Gulf 14 31 22 65 17 30 12 95 12 80 15 23 14 15 13 45

*The Muskat subsidy is in addition It was 2 66 lakhs in 1913-14 and is 1 86 lakhs now

†Precise actuals not available Hence budget figures only are shown

Other expenditure —In addition to the charges shown above under individual agencies, consulates, etc, some other expenditure, shown under other heads in this grant, is also incurred in these areas, *e g*, the subsidy to the Sultan of Muscat (Rs 1,86,400 per annum) and the cost of hiring a despatch vessel for the Political Resident at Bushire (Rs 1,20,000) These have been shown in the table We shall take these items into account in dealing below with the individual agencies

A more important point to bear in mind is the fact that a good deal of political expenditure is now being shown in the High Commissioner's budget We cannot ascertain what portion refers to political expenditure in Persia, etc

Office allowances —We may also mention a special feature of miscellaneous office expenditure in the consulates, etc In 1912 a system of office allowances, devised on the analogy of the system prevailing in consulates under the British Foreign Office, was introduced, under which a fixed sum is placed at the disposal of each political unit The merit claimed for it is that it relieves the officers serving in remote localities in Persia of the obligation of referring proposals for expenditure on petty matters to higher authority for sanction Though audit control is relaxed to some extent, it is contended that the system tends to reduce the cost of audit and accounts establishments A

central contract grant is also placed annually at the disposal of the Resident in the Persian Gulf for expenditure on annual or ordinary repairs of the buildings under his control. The office allowances of certain outposts are "centralised", *i.e.*, they are provided in the budget of the Political Resident at Bushire. We have only to add that, generally speaking, Secret Service money is now included in the office allowances.

(3) *India's share of the cost* — Besides the outposts enumerated in the above table, there are other agencies and outposts under the direct control of His Majesty's Government. The arrangements in force for the apportionment of the cost between Great Britain and India and for the exercise of administrative control over their working are complicated. Generally speaking, the British Minister at Tehran is the authority responsible for their work but the Government of India receive copies of the reports made by the Consuls and Vice-Consuls to the Legation at Tehran. In certain cases the officers are appointed by the Government of India from the cadre of the Political Department, the rest belong to His Majesty's consular services. We are not, however, aware of the criterion adopted for determining whether the Government of India or His Majesty's Government should have direct administrative control over a particular agency, for, we note that certain consulates formerly under the control of the Government of India were recently transferred to the British Foreign Office. Whether the controlling authority is His Majesty's Government or the Government of India and whether in the first instance the expenditure is incurred by His Majesty's Government or the Government of India, the whole of the expenditure in Persia and, with the exception of Muskat and Bahrein, in the Persian Gulf is divisible equally between them. The whole of the expenditure on Bahrein and Muskat, including the subsidy to His Highness the Sultan of Muskat, is borne by the Government of India, except that charges connected with anti-slavery measures and sanitary arrangements are divisible between the Government of India and the British Foreign Office, the provision for such charges in the Indian budget is very small.

(4) *Inchcape proposals* — The Inchcape Committee considered a total budget of 22 40 lakhs which included the cost of lighting and buoying the Persian Gulf. The whole position has since changed so much that no useful purpose will, we think, be served by tracing the extent to which the expenditure was reduced. The following extract from that Committee's report will, however, be of some interest.

"At present political expenditure in Persia is divided in moieties between the Indian and Imperial Exchequers, this arrangement being based on the recommendations of the Welby Commission. We are informed, however, that, owing to the lack of sufficiently strict definition, the question has arisen from time to time whether important individual items of expenditure are properly governed by this principle of division. We are impressed by the heavy liabilities imposed upon India during the war and we are strongly of opinion that the present arrangement should be revised without delay and that the Government of India should take over the whole cost of certain consulates, etc., which abut on India, and leave the others to the Home Government, possibly paying some share in one or two cases in which the two Governments have a mutual interest. It is, in our opinion very desirable to ensure that India's

liabilities in Persia should be strictly limited and defined. We recommend, therefore, that a revision of the existing arrangements be considered, and also that the possibility be examined of making a charge to shipping for lighting and buoys in the Persian Gulf the cost of which is at present shared by India and the United Kingdom on the half and half basis."

(5) *Departmental proposals*—The department has proposed to reduce the expenditure incurred in Persia and the Persian Gulf as below —

	Budget for 1931-32	Reduction
Persian Gulf	10 67	1 09
Seistan	1 64	07
Khorasan	96	05
Tehran	19	01
Iraq	08	<i>Nil</i>

We have been informed that among the important items which the department proposes to bring under retrenchment are —

- (a) Abolition of the posts of (i) the Consul at Kerman, (ii) the Wireless Operator at Meshed, (iii) an orderly of the Tehran Legation
- (b) Abolition of the launch at Bunder Abbas
- (c) Local recruitment of escorts in Persia instead of sending them out from India

The department has further added that the question of reorganisation of consular posts and establishments in Persia is under consideration and it is proposed to depute a senior officer of experience to visit each consulate and submit his recommendations. The savings resulting from such a scrutiny will be additional to those shown above.

(6) *Our proposals*—(a) *Main proposal*—We find that in spite of the Inchcape Committee's recommendation not much headway has been made with the proposal to limit and define India's responsibility for diplomatic and Consular work in this region. India still continues to pay, broadly speaking, the entire expenditure at Bahrein and Muscat and half the diplomatic and consular expenditure in Persia and the rest of the Gulf. The department explains that "it has been proposed to His Majesty's Government that India should bear the entire cost of British consulates located in these* regions and also a portion of the expenditure on the Legation at Tehran and leave His Majesty's Government to bear the entire expenditure of the rest of the consulates in Persia. This proposal is still under the consideration of His Majesty's Government."

We must here observe with surprise that though nearly a decade has elapsed, no substantial progress appears to have been made in the direction of a definition and limitation of India's real liabilities in Persia and the Gulf. We recommend that the Government of India should press for an immediate settlement of this issue, pointing out that public opinion in India refuses to continue to share what it considers to be little more than Britain's expenditure in furtherance of her imperial interests in the Near East.

* The reference is to Eastern and to a part of Southern Persia, where, in the department's view, Indian interests predominate.

Secondly, we question the validity of the assumption that India has "important political and commercial interests in Persia" which are looked after by the diplomatic and consular agents of His Majesty's Government. Since our considered conclusion on this matter is fundamentally at variance with the view put forward by the department, we propose to examine the position in some detail.

Apart from the defence of India's land and sea frontiers on the West, the only specific instances of India's interests in these territories, which the department could cite, or we could trace in the records, are —

- (i) India's interests in the pearl fisheries at Bahrein
- (ii) the employment of a large number of Indians in the Anglo-Persian Oil Company's works and refineries
- (iii) India's trade with the Gulf territories
- (iv) The pilgrim traffic to and through the territories in question

As regards India's defence, we consider that India pays at least her full share and should not be called upon to bear any more. We do not think any dominion or colony has been asked, or has agreed, to bear a portion of Britain's "imperial" defence expenditure even if it be called diplomatic and consular expenditure.

We shall now examine the other contentions.

It is a well known fact that, broadly speaking, India is not directly interested in the pearl fisheries of the Gulf but only in the pearl trade and that too after the pearls reach India. India's position as an entrepôt in the pearl trade no longer is what it used to be. The better class pearls now often go direct from the Gulf to Paris, London, New York and other important centres. It is true that some pearls find their way to India, but they are seldom the pick of the catch. The value of this trade to India is declining and numerous Indian business houses have had to settle at Paris and other centres. We do not know the numbers of Indians engaged in the pearl fisheries or even the pearl trade on the spot, but we have no reason to think they are very considerable.

The fact that Indians are employed in the Anglo-Persian Oil Company's works cannot justify the saddling of India with the expenditure on consulates, whose main business is to look after the interests of the Oil Company rather than its employees and to keep Britain's hold on the Lynch road and maintain her commercial position in Arabistan. The fact that there are fairly considerable Indian colonies at, *e.g.*, Kobe, Osaka, Paris and in Egypt, Abyssinia and similar countries has, so far as we are aware, never been urged as a ground for charging some of the British consular expenditure in these areas to India. So far as we know, the dominions and colonies also do not share in such expenditure.

It is true that India has some trade with the Gulf and with Eastern Persia, But one of the main lines of Indian trade with the Gulf, *viz.*, Indian textiles, is declining and can now be almost ignored. Indians also handle certain classes of goods—many of them British—as mere middlemen but we are not aware of any considerable Indian trade with this region in purely Indian goods. So far

as we have been able to ascertain, the commodities in which India carries on trade with this region are —

- (i) imports of Basra dates into India,
- (ii) imports of Bahrein pearls into India (the total value of which has, we believe, very seriously declined),
- (iii) exports of grain from India, and
- (iv) export of cotton from India

This list is by no means an imposing one, and the nature and the size of the business in these articles cannot justify the spending of about 12 lakhs every year from Indian revenues. Again, this area has been given no place in the accepted scheme of special trade commissionerships and that fact also leads to the inference that India's commercial stake in the Persian Gulf is not considerable. We may also draw attention to the fact that even apart from the Political Resident at Bushire many of the Political Agents, Consuls and Vice-Consuls are military men. Even those consular officers who are medical men are drawn from an essentially military organisation, *viz*, the Indian Medical Department. We cannot believe that they are seriously intended for the furtherance of India's trade interests nor that they are qualified for such roles. No definite evidence has been adduced to show that they have in fact tried, or been able, to further India's trade in these regions.

As regards the pilgrim traffic to Muslim shrines in Iraq and the neighbouring territories, it is but a small fraction of that to Mecca and Medina and is not large enough to justify more than a fraction of India's expenditure on the Consulate at Jeddah being charged to India.

On the other hand, Britain's interests in Persia and the Gulf are large and valuable. The Anglo-Persian Oil Company and the oil question in Upper Iraq (in either of which India *per se* has no interest), Britain's control of the Lynch road, her nationals' very large share in the commerce with Persia and especially the territories bordering on the Gulf, her influential position in the field of banking in Iran and Iraq, her dominance in the trade in Oriental carpets, her exceptional status in the mandated territory of Iraq, her preponderance in the shipping of the Gulf ports, her interest in the developments in modern Russia and in the various Muslim countries on the frontier of Persia, the naval and maritime position which Britain occupies in the Arabian Sea owing to her control over the Gulf, her claims of extra-territoriality, the importance of Iraq and Persia to her air navigation, the over-land telegraph line in the adjacent areas, the need for controlling the traffic in arms—these are some of the factors that indicate the extent and character of British political and trade interests in the Middle East. It is perhaps true that these interests were secondary in origin. But to-day they are far more important than the trade interests of India proper—the latter are, in essence, merely nominal. This conclusion of ours is amply strengthened by the fact that the control of relations with Persia is vested in the British Foreign Office (*vide* paragraph 1). We may also draw attention to the fact that nowhere except along a short stretch of desert does the Indian frontier march with the Persian.

The Inchcape Committee was "impressed by the heavy liabilities imposed upon India during the War" and gave its opinion in favour of an immediate revision of the arrangements then in force. It wanted that India's liabilities should be limited and defined. We too are impressed by the unjustifiable burden in various forms that India has been compelled to bear for generations and hold that the time has now come when it should be lightened. Both Afghanistan and Persia have now emerged as powers of international importance in direct relations with His Majesty's Government in Great Britain. The prospective termination of the mandate over Iraq will at no very distant date give birth to a new national state with a similar status. In all such countries Great Britain would, even apart from her interests in India, maintain her own diplomatic and consular establishments. So far as we are aware, the dominions do not contribute towards the maintenance of Britain's diplomatic and consular representation in countries in which particular dominions have special interests, *e.g.*, Canada, *vis-a-vis* the United States of America.

We may add that most of these consular outposts appear to us to be the relics of the pre-war British policy in Persia and the Gulf against the menace of Russia, Germany and other rivals and that even to-day some are intended for "intelligence" work. We believe that a clear and strong case exists for asking for complete relief.

We are not unaware of the fact that the Government of India themselves have not always seen eye to eye with His Majesty's Government on the question of the extent and character of India's interests and liabilities in this region. But, we would like them to press vigorously for the redress proposed by us, we consider that if this is done, it should not take more than about a year to obtain it. This act of sheer justice will help to relieve India's already heavy burden to the extent of about 11 50¹ lakhs.

(b) *Subsidiary proposals for transition period*—Pending the fructification of such negotiations, however, we recommend that the following economies should be effected. We believe that there is a mutual obligation on Great Britain and India not to increase, beyond narrow limits, expenditure on the diplomatic and consular services in this part of the world without mutual consent. But, this need not stand in the way of India being allowed to effect such economies as she adjudges feasible and desirable. Indeed we hold that Britain's attitude towards this problem should be regarded as an index of her *bona fides* in promising to advance India towards "Dominion Status". We are glad to observe that one of the recommendations of the Retrenchment Committee appointed in 1931 by the Secretary of State for India under the Chairmanship of Sir Henry Wheeler was that efforts should be made to secure the discontinuance of the annual contribution of £12,000 from Indian revenues towards the cost of diplomatic establishments in China. We do not know if effect has been given to this, but we look upon it as a recognition by Great Britain of the great change in the real character of India's interests in China and their relative importance *vis-a-vis* the imperial interests.

¹ Viz 1 81 under Account I 8 59 under Account II-C, 1 86 under Account II-B(1) and 1 20 under Account II-K-4 (3) *minus* recoveries from His Majesty's Government which in 1929-30 amounted to 1 86

of Great Britain This leads us to hope and trust that if India's point of view is properly put to His Majesty's Government they will be prepared to do her the justice that has long been due to her in the somewhat analogous case of Persia, etc , also

We may also draw attention to a specific economy of a general character before we come to deal with each individual agency, consulate, vice-consulate, etc , in the succeeding paragraphs

We observe that the officers employed in Persia and the Persian Gulf are remunerated, apart from pay proper, by means of special pays and various allowances (e g , sumptuary, compensatory, customs compensatory, language, charge, motor car, conveyance, unhealthy climate, house-rent). In one case, viz , that of the vice-consul at Mohammerah, we have specially noticed that the aggregate of the allowances admissible exceeds the pay proper and we should not be surprised if there are other similar cases, though not so apparent Medical officers performing their normal duties also get special pays, compensatory allowances, etc We hold that an obvious and easy method to effect economies is to revise the entire system, and we recommend accordingly We may add that Persian is a comparatively easy language to acquire and since there are numerous outposts in Persia, an officer's acknowledge of it once acquired is not likely to be useless on his transfer from a particular station Hence, there is no great justification for a language allowance, at any rate on a monthly basis We do not know if His Majesty's Government will have to be consulted or not, but we recommend that pending a thorough examination the special pays and allowances payable at present should be cut by one-half In this connection we invite attention to a similar recommendation made by us in the case of the North-West Frontier Province and Baluchistan and to paragraph 9 (iii) of Chapter I

(7) *Bahrein, Muscat and Koweit Agencies* —On the Arabian side of the Persian Gulf three political agencies are maintained, each at the headquarters of an independent Arab State or Chiefship We shall deal with Koweit along with the other agencies included in the estimates under Account II Here we shall deal only with Bahrein and Muscat Agencies and the Directorship at Gwadur which is under the Muscat Agency , these are all provided for under Account I

In addition to the three agencies named above His Majesty's Government are represented by an Arab Agent of the Bushire Residency at the headquarters of the Trucial Sheikhs of Ras-al-Khamah, Ajman, Umm-al-Quaiwain, Shargah, Dabai, Abu Dhabi and El Katr This Agent has his headquarters at Shargah, but he moves from place to place as desired In the department's opinion the political importance of these states and chiefships has increased by and since the emergence of Hejaz-Nejd as a sovereign independent state and the prospective termination of the British Mandate in Iraq The Political Agents at Muscat, Bahrein and Koweit exercise capitulatory civil and criminal powers

(a) *Bahrein*

(i) *Introduction* —Bahrein was one of the first places in the Persian Gulf to attract the attention of the East India Company on account of the pearl fisheries Its rulers were often assisted against Turkey, Persia and other

powers, but formal political relations were established in 1829. The Indian Government's representative was invariably a "native agent", but in 1900 it was decided to set up a regular British political agency.

The rulers of Bahrein are under agreement not to enter into any agreement or correspondence with any power other than the British Government or to allow any agent of any other Government to reside in Bahrein without British consent, or to cede, sell, lease or otherwise give occupation of any part of their territory except to the British Government. Jurisdiction over all persons other than Bahrein subjects has been "capitulated" to the British Government. Thus, the Political Agent has to maintain a court for the disposal of judicial work. The rulers of Bahrein have also undertaken to abstain from slave trade, piracy, traffic in arms and ammunition and other unlawful practices by sea. The pearl fisheries, which form the most important industry in this part of the Persian Gulf, have always been policed by the British Government. The entry of foreigners including European British subjects into the fisheries has been steadily opposed by the British Government. We do not know the value of the pearl trade with Bahrein, but we have good reasons to believe that it has very largely declined.

Bahrein is also important as a means of keeping in touch with the ruler of Central Arabia and the British representative has some responsibility for the prevention of any encroachment by him on the rights of his smaller neighbours, *e g*, the ruler of Qatar and the Trucial chiefs.

A Political Agent (pay Rs 950—1,000 with a special pay of Rs 200, a charge allowance of Rs 150, a sumptuary allowance of Rs 100 and a language allowance of Rs 100), an Assistant Surgeon (pay Rs 450 with a charge allowance of Rs 30 and a special pay of Rs 100) and an Indian Assistant (pay Rs 410 with a special pay of Rs 75 and a house-rent allowance of Rs 50) are the three officers maintained at this agency. The establishments comprise seven clerks (four of whom get special pays) and a medical attendant. In 1930-31 there were only five clerks. The staff in 1913-14 consisted of two officers and three clerks, and even in 1922-23 there were only two clerks for this Agency.

The total cost on account of the Bahrein Agency is Rs 84,000. Apart from the pay of the staff the only other important provisions are .14 for a motor boat and steam launch and .15 for office allowances.

The expenditure has varied as below —

	1913-14	1922-23	1924-25.	1929-30	1931-32
Pay of officers	26	21	33	30	29
Pay of establishment	04	11	13	12	16
Allowances	01	14	08	08	08
Supplies and Services	11	14	15	16	14
Contingencies	14	19	20	24	17
Total	56	79	96*	90	84

Compared with 1924-25 expenditure has decreased by .12 in spite of the increase of Rs 3,300 due to revision of pay of establishments and increase in their number. The gross decrease of Rs 15,600 was due to (1) the posting

* Includes .08 for compensations now treated as allowances

of a junior officer as Political Agent counterbalanced by the revival of the post of an Indian Assistant and the accrual of increments (Rs 4,000), (ii) non-provision for compensation for depreciation of rupees and dollars (Rs 8,400), and (iii) reduced provisions for Supplies and Services and Contingencies, etc (Rs 3,200)

(ii) *Proposals* — We have explained how the staff has grown, particularly in the ministerial grade. We consider that a growth from two clerical posts in 1922-23 to seven such posts in 1931-32 is unduly rapid, and recommend that the clerical post which was added so late as 1931-32 be abolished. The post of Indian Assistant to the Political Agent which was kept vacant in 1922-23 can perhaps be abolished now. The new provision of Rs 300 for house-rent allowance will go out automatically if even one clerical post is retrenched. The office allowance of Rs 15,400 is excessive and should be reduced. In all, a reduction of 10 in the expenditure at Bahrein is feasible and should be effected.

(b) Muscat

(i) *Introductory* — Muscat is a Sultanate and the Sultan receives a subsidy of Rs 1,86,400 from the Government of India. Besides being responsible for political relations with His Highness the Sultan, and for the conduct of work at Gwadar (*vide infra*), the Political Agent has also to dispose of judicial work arising out of the capitulatory rights of the British Government.

The Political Agent gets a special pay of Rs 300, a language allowance of Rs 100 and a sumptuary allowance of Rs 100. A Surgeon (on Rs 650 plus a special pay of Rs 100, compensatory allowance of Rs 50 and a quarantine allowance of Rs 150 which is paid by His Highness the Sultan's Government) is attached to the Agency. The post of Treasury Officer created in replacement of a non-gazetted post of Agency Office Superintendent is estimated to cost Rs 4,500. There are three clerks.

Apart from the pay of the staff the only important provisions are Rs 6,500 for office allowance and Rs 3,500 for "contract grant".

The expenditure has varied as below —

	1913-14	1922-23	1924-25	1929-30	1931-32
Pay of officers	42	26	26	33	42
Pay of establishment	06	12	13	13	11
Allowances	02	11	06	04	04
Contingencies	20	16	16	14	13
Total	70	65	69*	64	70

Compared with 1924-25 the 1931-32 provision has decreased by about Rs 1,600. It is the net result of a gross increase of Rs 17,600 and a gross decrease of Rs 16,000. The gross increase was due to (i) the post of Agency Surgeon having remained vacant for a time in 1924-25 (Rs 6,800), (ii) the creation of a gazetted post of Treasury Officer in replacement of the post of Agency Office Superintendent (Rs 4,500), (iii) the appointment of a Political

* Includes 08 for compensations now treated as allowances

Agent on a higher rate of pay (Rs. 3,800), (iv) appointment of a senior sub-assistant surgeon and accrual of his increments (Rs 1,900), and (v) other minor increases (Rs 600) The decrease was caused by the conversion of the post of Agency Office Superintendent into a gazetted post (Rs 3,900), decrease under touring charges and payment of house-rent and other allowance (Rs 1,400) non-provision of compensations for depreciation of krans and dollars (Rs 7,600) and decreased provisions for postage and telegram charges (Rs 1,100), for office allowance (Rs 1,000) and for supplies and services and contingencies (Rs 1,000)

(vi) *Proposals*—The superior staff was increased in 1931-32 by the creation of a new gazetted post of Treasury Officer in place of the non-gazetted post of Agency Office Superintendent This post should be abolished and not merely reduced to non-gazetted status, saving Rs 4,500 Other economies too should be effected so as to reduce the expenditure by Rs 5,000 in the aggregate

(c) *Gwadar*

(i) *Introductory*—The Port of Gwadar in the south-east of Baluchistan, a little to the east of the Persian border, is held by the rulers of Muscat and used to be an important link in the chain of the overland telegraph line between Europe and India A Director on Rs 300 and establishments costing Rs 6,100 are maintained at Gwadar The total cost is 10

(ii) *Proposals*—We presume that the Director and his establishment are maintained, at any rate in the main, in the interests of the over-land telegraph line in the south of Baluchistan If so, we fail to see what interest India as such has in incurring an expenditure of 10 every year from the "political" estimates If he is a telegraph man, the telegraph line concerned should bear the charge, a contribution being made for consular work (if any) done by him We shall assume that the entire provision can and will be deleted

(d) *Summary of Savings*

Although our proposals relating to Bahrein, Muscat and Gwadar yield a reduction of 25, we shall be content if effect is given to our specific proposals and the reduction is not allowed to go below 20

Persia and the Persian Side of the Gulf and Koweit

(8) *Arabistan—Introductory*—Ahwaz together with Dizful and Mohammerah are the three outposts for the protection of British commercial and political interests in Arabistan The biggest interest is the Anglo-Persian Oil Company, its importance is not only commercial but also naval Besides this concern, the Arabistan grain trade, the Lynch road (which connects with Ispahan), arms traffic and the railway concession from Mohammerah to Tehran *via* Khurramabad were, as some of them still are, the main important interests It was for their development and protection against the efforts of foreign powers to undermine them that British consular representatives began, even before the great war, to get into close relations with Bakhtiari and other tribes and with the Sheikh of Mohammerah As ruler of the Arab tribes inhabiting Arabistan the Sheikh had, as he still has, a special position *vis-a-vis* the Persian Government British activities in this area naturally became more com-

prehensive during the War and though the commitments have since been largely reduced, the material interests that have been developed, *e g*, the Anglo-Persian Oil Company, the Lynch road, which is largely under British control, and the virtual disappearance of foreign competition from the markets concerned are held to necessitate the maintenance of consular representation in this area

(a) *Ahwaz*

(i) *Introductory* —The Consulate at Ahwaz used to be controlled by the Government of India but with effect from 1926-27 the control has been taken over by His Majesty's Government. The expenditure has always been shared between the two governments and is now adjusted against Indian revenues through the Secretary of State's accounts. Only the expenditure on the Vice-Consulate appears in the Indian budget and this also is divisible equally between the two governments.

A Vice-Consul on the Foreign and Political Department scale *plus* a special pay of Rs 200 and a customs compensatory allowance of Rs 100 is the only officer, the provision for whose pay appears in the Indian budget. Rs 11,900 for Escort charges and a new item of Rs 1,800 for the rent of the Vice-Consul's house are the only other important provisions.

The expenditure has varied as below —

	1922-23	1924-25	1929-30	1930-31	1931-32
Pay of officers	31	62	12	07	12
Pay of establishment	17	19	11	12	12
Allowances, etc	06	04	03	02	02
Contingencies	19	40			02
Grants-in-aid			01		01
Total	73	1 90*	27	21	29

In 1924-25 the expenditure was 1 90 lakhs. The decrease of 1 61 lakhs (1 64 *minus* increase of 03 chiefly for escorts) is mainly due to the transfer of the bulk of the expenditure to the control of His Majesty's Government, the other important factors contributing to the decrease being the posting of a junior officer as Vice-Consul, the abolition of the post of Assistant Political Officer which existed in 1924-25, the inadmissibility of the payment of compensation for the depreciation of krans and dollars and the fact that in 1924-25 heavy expenditure had to be incurred on petty construction, repairs, etc.

(ii) *Proposals* —We presume that there is a Consul at Ahwaz under the control of His Majesty's Government and a Vice-Consul under that of the Government of India and that His Majesty's Government and the Government of India share the expenditure on the Consulate and the Vice-Consulate, the budget of the latter alone appearing in the Indian estimates.

* Includes 60 for Works and 05 for compensations now treated as allowances

If our assumption that Ahwaz has both a Consul and a Vice-Consul be correct, we recommend that the Vice-Consulate be abolished. The interests of the Indian employees of the Anglo-Persian Oil Company, such as they are, can be looked after by the Consul. We believe, our assumption is correct; hence, we shall assume a saving of .29.

If, however, Ahwaz has only a Vice-Consulate, the only economy we propose is the deletion of the provision of Rs. 1,800 (a new item in 1931-32), for house-rent for the Vice-Consul.

(b) *Mohammerah.*

(i) *Introductory*—Mohammerah is the port of transshipment for the Lynch road to Ispahan. The Vice-Consulate is in charge of Vice-Consul, who, besides his pay of Rs. 500, gets the following special pays and allowances—

	Rs					
Special pay	--	--	--	--	..	200
Sumptuary allowance		100
Compensatory allowance				200
Customs compensatory allowance			..	.		100
Conveyance allowance		75
						<hr/>
					Total	675

Expenditure—A substantial provision (Rs. 3,000 in the 1931-32 estimates) for the upkeep of a launch is a new item introduced for the first time in 1930-31.

The following table shows the progress of expenditure and we draw particular attention to the growth of expenditure on account of the pay of officers and allowances.

	1913-14	1922-23	1924-25	1929-30	1931-32
Pay of officers	.20	06	05	.13	11
Pay of establishment	.07	12	10	11	10
Allowances	.. 01	06	05	09	09
Supplies and Services	. ..	04	04		03
Contingencies	18	13	12	10	07
	<hr/>				
Total	46	41	36	43	40

Compared with 1924-25 the net increase of expenditure is Rs. 4,581. The posting of an officer on a higher rate of pay as Vice-Consul (Rs. 5,700), grant of customs compensatory allowance (Rs. 1,900), revision of pay, increments and increased house-rent and other allowances and sanction of conveyance allowance to the Vice-Consul (Rs. 5,300) brought about a gross increase of Rs. 12,900. On the other hand the disappearance of the need for compensation for the depreciation of krans and dollars (Rs. 2,300), decrease in the provision for office allowance (Rs. 3,000), decrease of provision for the maintenance of the launch (Rs. 1,200), the transfer of the central contract grant and other minor decreases (Rs. 1,700) brought about a total gross decrease of Rs. 8,200.

(ii) *Proposals*—The provision of Rs. 3,000 for a launch (intended for medical work at Abadan where the Anglo-Persian Oil Company's refineries

are situated and at the Shaikh of Mohammerah's palace) should be deleted. These places are said to be inaccessible except by river. But, we observe that the launch which had been sanctioned only in 1922-23 was abolished in the interests of economy and was not revived until 1929-30. We think it should be feasible to carry on without a special launch, as used to be done during the years before and after 1922-23. It might be practicable to get a launch, if and when necessary, from some neighbouring outpost or by arrangements with the Sheikh or the Oil Company, both of whom have a more direct interest in its maintenance than the taxpayer in India has.

In 1922-23 the Vice-Consulate had two clerks, now there are four. At least one post should be abolished, saving about Rs 2,500 on pay and something more on allowances.

Minor economies in other provisions, *e.g.*, office allowances, should be possible so as to reduce the expenditure by Rs 7,000 in all.

(c) *Dizful*

There was a Vice-Consulate at Dizful in Arabistan which cost Rs 2,490 in 1924-25. Since 1925-26 no expenditure has been incurred because the Vice-Consulate was abolished.

(9) *Bunder Abbas*

(i) *Introductory.*—This is an important port and centre of trade in the Persian Gulf. The only officer of the Political Department now posted to Bunder Abbas is a Vice-Consul (with the personal rank of Consul), who is also Assistant to the Political Resident at Bushire. In 1930-31 there was a provision for a Military Assistant Surgeon also. The Vice-Consul's post is held by an Assistant Surgeon, who gets a special pay of Rs 300, sumptuary allowance of Rs 100, and a customs compensatory allowance of Rs 100. Further, it appears that the appointment of the Military Assistant Surgeon as Vice-Consul has necessitated the creation of a new post of sub-assistant surgeon on Rs 300 per mensem.

The other establishments consist of three clerks costing Rs 6,500 and escorts costing Rs 5,100. The only other important provisions are Rs 13,000 for the purchase and maintenance of a launch and Rs 6,000 for office allowance.

The expenditure has varied as shown below —

	1913-14	1922-23	1924-25.	1929-30	1931-32
Pay of officers	14	18	12	20	13
Pay of establishment	15	10	14	13	15
Allowances	01	02	05	04	06
Contingencies	10	12	11	07	09
Supplies and Services		16	15	12	13
Total	40	58	59*	56	56

* Including Rs 3,000 for compensation for depreciation of krans and dollars which is now treated as allowance.

Compared with the actual expenditure of Rs 59,100 in 1924-25, the 1931-32 provision of Rs 55,900 shows a decrease of Rs 3,200. Variations in the pay of officers, the provision of a new item for a sub-assistant surgeon in the current estimates, and larger expenditure on account of the customs compensatory allowance contributed to an increase of Rs 5,800. On the other hand a drop of Rs 2,100 in the provision for Supplies and Services and Contingencies, the absence of any necessity for the payment of compensation for the depreciation of krans and dollars, transfer of the central contract grant to the Bushire Residency budget and the fact that no provision has been made in the current budget for leave salary contributed to a decrease of Rs 9,100.

(ii) *Proposals*—The department proposes to abolish the launch costing. 13 We approve. In the light of the actuals of 1929-30 it should be possible to save another 02 under allowances, compensations and contingencies and perhaps an additional 02 under escort charges. The total reduction should thus be about 17.

(10) *Bushire—Introductory*—Owing to the strategic and political importance of the Gulf, a First Class Political Residency is maintained at Bushire. It controls the agencies and consulates in South Persia and the Persian Gulf. It has existed for over a century and a half, and played an important part in the politics of the Gulf when the British position in the Gulf Littoral was threatened by Russia and other powers. Portugal, Holland, France, Russia, Germany, Turkey and Oman have, at one stage or another, all been Great Britain's competitors for power and control over the Gulf.

Organisation—In the 1931-32 estimates provision has been made for the following posts and emoluments—

Designation	Pay or scale of pay	1931-32 provision	Special pay	House rent allowance	Customs compensatory allowance	Sump-tuary allowance	Lang-uage pay	Convey-ance or motor car allowances
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs,
1. Resident	4,000	48,000			150	250		
2. Secretary	600— 2,500	27,900	200		100			
3. Under Secretary	600— 2,500		200		100			
4. Treasury Officer	460— 480*	14,000	100	50	50			
5. Registrar	500		100	50	50			
6. Confidential Assistant	300	4,600	75	50	25			
7. Interpreter	410	5,800	75	50	50			
8. Surgeon	950	17,000	333/5/4		100		66/10/8	
9. Assistant Surgeon	400	7,000	150					30

In 1930-31 there was one post of Personal Assistant on Rs 200 per mensem, this has now been split into two, viz, a Confidential Assistant on Rs 300 with a special pay of Rs 75 and a Personal Assistant on Rs 200 per mensem, the net result being the creation of a new post of a Confidential Assistant. In the course of a single year two officer's posts and four clerical posts were added †

* The officer in fact draws pay at Rs 300 per mensem

† NOTE—These are adjusted figures

The Secretary is also a Consul incharge of the Consulate situated in the town of Bushire. Besides his secretarial duties he deputises for the Resident when the latter goes out on tour. The Under-Secretary is attached to the Residency, which is situated at Subzabad, eight miles from Bushire and is incharge of the confidential office. On ceremonial visits this officer acts as an *aide-de-camp* to the Resident. The Residency Surgeon is incharge of the medical establishments in the Gulf and is responsible for the general supervision of the quarantine arrangements and of the charitable dispensaries at Koweit, Bahrein and Muscat. The establishment of 19 consists of a Personal Assistant to the Resident, an Indian Agent, a Cypher Clerk, fifteen other clerks and a sub-assistant surgeon. In 1930-31 the establishment numbered only 14. The real increase is however by 4 and not by 5, as has just been explained.

Expenditure —Of the total provision of 3 43 lakhs officers' pay absorbs 1 35 and the pay of establishments accounts for 65 (including Rs 13,500 for escort charges). Among the other important provisions are Rs 12,000 for travelling allowance, Rs 3,000 for sumptuary allowance, Rs 6,100 for house-rent and other allowances, Rs. 10,000 for customs compensatory allowance, Rs 1,200 for entertainment allowance to the Residency Agent at Shargah, Rs 7,300 for a launch, Rs 30,800 for postage, etc., and Rs 38,900 for office allowance. It may be mentioned that the total provision for office allowance in the 1930-31 budget was Rs 27,400 as against Rs 38,900 in the current year.

The following table shows the progress of expenditure —

	1913-14	1922-23	1924-25	1926-27	1929-30	1931-32
Pay of officers	93	1 35	1 70	1 37	1 23	1 35
Pay of establishment	25	34	43	44	46	65
Allowances	08	26	39	35	31	35
Supplies and Services	02	4 59	12	11	19	07
Compensations					01	01
Contingencies	1 19	74	47	47	1 26	99
Grants-in-aid		01	01	01	01	01
Special charges or secret expenditure	13		1 63			
Total	2 60	7 29	4 75	2 75	3 47	3 43

We may draw particular attention to the growth under the first three items compared with 1929-30. Besides this 3 43 lakhs there is a provision of 1 20 lakhs for the hire of a "Despatch Vessel", the expenditure on the service now performed by this vessel used to be met from and shown under Supplies and Services but is now shown as "miscellaneous other charges" and is not shown under "Bushire".

In 1924-25 the expenditure including that on "Works" was 4 87 lakhs. The apparent decrease of 1 44 is the net result of a gross increase of 74 counter-balanced by a gross decrease of 2 19. The factors contributing to the gross increase and gross decrease are so numerous that we refrain from giving full details. We shall only summarise them.

The following new posts have been created, *viz*, Personal Assistant, Cypher Clerk, two other clerks, stenographer, and inferior establishments

The Indian Agent and Sub-Assistant Surgeon have been given a higher status and pay Escorts have been increased Office allowances of certain subordinate agencies have been "centralised" and provided for in the Bushire grant, and the office allowance grant for Bushire itself has been raised, these two by themselves accounting for a little more than half the gross increase

The fact that there was greater expenditure under head "Pay of Resident" in 1924-25, the posting of junior officers to the Residency in 1931-32, and the abolition of the posts of Assistant Secretary, Vice-Consul, Second Assistant, and one Assistant Surgeon counter-balanced by certain other newly created posts gave a net decrease of 35 The fact that the expenditure in 1924-25 of 1 63 lakhs on secret service and 12 on the Subzabad-Mehdi road has no counterpart in 1931-32 accounts for most of the remaining gross decrease

Proposals—We cannot see the justification for the maintenance of three Medical Officers, *viz*, a Surgeon, an Assistant Surgeon and a non-gazetted Sub-Assistant Surgeon Subzabad is reputed to be a healthy locality and we do not consider it justifiable to incur expenditure for the benefit of Persians when India herself is so much in need of more medical facilities The department has decided to abolish the post of Sub-Assistant Surgeon But, we think, the Surgeon's post should be abolished, saving 17 on pay and say 01 on allowances

At a time of such acute financial stringency we cannot defend the manner in which the staff of this Residency has been allowed to grow—even 1931-32 witnessed some growth We explain below in some detail what has been done, our proposals are justified by the mere fact that somehow the work could be carried on with a very much smaller staff till 1930-31

Upto 1930-31 there was one gazetted post of Personal Assistant on Rs 200 p m This has now given place to two, *viz*, a gazetted post of Confidential Assistant and a non-gazetted post of Personal Assistant on Rs 200 p m The cost has thus gone up in 1931-32 by the full pay of the Confidential Assistant This arrangement should be reversed, saving about 05

Similarly, in place of a combined Registrar and Treasury Officer till 1930-31 there are, in the current year, two officers each holding a part of the combined charge. One post should be abolished, saving 07

We presume that in the light of the actuals of 1929-30 and the budget of 1930-31 some saving—say Rs 5,000—under leave salary for officers is also possible

The establishment (including a Sub-Assistant Surgeon) which numbered only 9 in 1922-23 rose to 14 in 1930-31 and has again shot up to 18 *plus* a Personal Assistant This appears to us to be unduly rapid growth The progressive character of administration in Persia should lead to a gradual decrease and not increase of foreign consular establishments We propose that the strength should be substantially curtailed and the expenditure on establishments be reduced from 654 to 457 (the actuals of 1929-30) saving 20.

Further, we find considerable scope for economy in the provision of 99 for Contingencies. We presume that Secret Service money is included in "office allowance". The previous amount of 30 for this purpose was large enough, in 1931-32 it was raised to 39, presumably because the office allowances of some of the subordinate officers have been centralised. We take it that the provision for the purchase of surgical instruments and appliances will not have to be repeated. A reduction of about Rs 8,000 in all should be made in these and the other contingencies.

The total reduction of expenditure from our proposals above will be 64 lakh.

Despatch Vessel—We may now deal with the despatch vessel for the Political Resident at Bushire for which a provision of 1 20 lakhs has been made in the 1931-32 estimates.

The assignment of a special despatch vessel for the use of this Residency dates from 1887. The annual maintenance alone used to cost a little over seven lakhs in the early post-war period. As a result of the 1922-23 retrenchment campaign it was decided to combine the duties of a despatch vessel and a lighting and buoying tender in one vessel, but the arrangement was found unworkable, especially because the Resident requires the despatch vessel at short notice. The services of a steamer belonging to the Indo-European Telegraph Department were secured at Rs 2,000 per day. Consequent on the withdrawal of this Department from the Persian Gulf, this steamer is not now available for the Resident's tours. The department holds that "all the factors which made it in the past essential for the Resident to be able to move rapidly about the Persian Gulf and wait at any point of the coast during possibly protracted negotiations are still in operation and his work on the Arab Coast is indeed increasing in importance", and that the expenditure of 1 20 lakhs is inevitable and irreducible.

We have carefully considered the department's view but find ourselves unable to accept it. The reasons why the Resident cannot use His Majesty's vessels in the Gulf and, wherever possible, the Mail Service are by no means obvious to us. Secondly, we hold that it should be possible to send out (possibly with some cargo on the outward and the return journeys) one of the two steamers maintained for the Andamans service. So far as we can see, it is only a question of making arrangements in such a way as to meet the mutual convenience of the Resident and the Andamans administration. Thirdly, now that shipping is slack, it should be possible to get the rates appreciably reduced. We agree that a special despatch vessel at the Resident's disposal is bound to be more convenient to him. But, in our opinion an expenditure of 1 20 lakhs on the maintenance of a special despatch vessel is unduly high, especially at present. We have made some suggestions for its reduction, but we do not wish to be understood to make any definite recommendation other than that the expenditure should be reduced by one half.

(11) *Kerman*—A consulate is maintained at Kerman not very far from the Afghanistan and the Baluchistan frontier.

A Consul (special pay Rs 200 plus language allowance Rs 150 and sumptuary allowance of Rs 200 p m) and an Attaché (pay Rs 410) are the two

officers attached to the Consulate A medical officer gets an allowance of Rs 100 p m The two clerks' pay costs Rs. 4,500 and escorts cost Rs 7,400 The only other important provision is Rs 12,200 for office allowance

Expenditure has varied as below —

	1913-14	1922-23	1924-25	1929-30	1931-32
Pay of officers	•19	34	33	40	35
Pay of establishment	09	18	18	12	12
Allowances, etc	01	•11	•15*	•15	09
Contingencies	•17	•18	17	16	15
Total	46	81	83	83	71

The net decrease of Rs 11,287 was the result of a gross increase of Rs 7,700 and a gross decrease of Rs 19,000—both due to minor but typical reasons

Proposal—Staff and expenditure have not grown But we consider that it should not be difficult to effect a reduction of about Rs 1,000 under allowances and contingencies

(12) *Koweit*—This Political Agency was established in 1904 The importance of Koweit lies in the fact that it is a potential meeting place of sea-borne and other trade and was selected as the terminus of the German-projected Baghdad Railway It also holds a peculiar position in the politics of Northern Arabia, particularly in British political relations with the rulers of the Hedjaz, Nejd and Iraq The ruler of Jabal Shamar on the south-western flank of Mesopotamian Koweit is considered to be a potent factor in the politics of these States

Besides a Political Agent (special pay Rs 200, sumptuary allowance Rs 100 p m), an Assistant Surgeon (pay Rs 450 plus a special pay of Rs 125) is maintained Three clerks including a passport clerk cost Rs 6 500 We should add that in 1922-23 there was only one clerk The only other important items of expenditure are Rs 2,500 for a launch and Rs 6,900 for office allowance

The expenditure has varied as below —

	1913-14.	1922-23	1924-25	1929-30	1931-32
Pay of officers	•22	17	31	28	29
Pay of establishment	07	06	04	05	06
Allowances	01	09	08	04	03
Supplies and Services	10	12	•05	04	03
Contingencies	10	15	13	26	14
	50	59	61	67	55
Grants-in-aid etc	60	60		01	01
Total	1 10	1 19	61	68	56

*Includes 05 for compensations now appearing as allowances

The decrease of Rs 4,985 compared with 1924-25 was the net result of an increase of Rs 7,400 and a decrease of Rs 12,000. The increase was caused by (i) the provision in the 1931-32 estimates of Rs 2,000 for leave salary for officers, (ii) increase of Rs 1,800 under postage and telegrams, (iii) Rs 1,800 by the revision of pay of the establishments, and (iv) Rs 1,800 by increments, passages and other minor reasons. The decrease of Rs 12,000 was caused by variations in the pay of officers (Rs 4,000), the disappearance of the provision for compensation for the depreciation of krans and dollars (Rs 5,300) and decreased provisions for tour charges, office allowance, maintenance of beacon and launch, transfer of central contract grant, etc (Rs 2,700).

Proposals—Considering the somewhat isolated situation of this agency we are not confident that it will be found practicable to carry on without a medical man attached to the Agency. But, we do not see why he must be of the status of an Assistant Surgeon. A selected Sub-Assistant Surgeon might perhaps suffice. We assume that our proposal will yield a saving of about 05 on pay and allowances.

The agency had one clerk in 1922-23, it has three clerks now. One clerical post should be abolished and expenditure reduced to about the 1929-30 level, saving 02.

The contract grant for the maintenance of the launch, and the provisions of Rs 6,900 for office allowance and Rs 2,200 for the tour grant can be made to yield a saving of 01. Total saving 08.

(13) *Kermanshah and Lingah*—The Kermanshah Consulate which cost 79 in 1924-25 was transferred from 1925-26 to the control of the British Foreign Office. The Vice-Consulate at Lingah was abolished in 1922, the Consul at Bunder-Abbas being made responsible for its work.

(14) *Shiraz*—The total provision is Rs 1,200, the gross cost is Rs 2,400 but a deduction of Rs 1,200 has been made for "probable savings". The provision is for a medical attendant on Rs 100 p m, a compounder, and two gardeners who work as care-takers. We presume that the real budget figures in the British estimates

The following table shows that compared with 1924-25 the 1931-32 budget shows a decrease of about 05 due mostly to the fact that in 1931-32 there is no counter-part of the actual expenditure of Rs 3,310 on "Works" and Rs 800 on "Contingencies" in 1924-25.

	Actuals 1924-25.	Budget 1931-1932	Increase + Decrease —
<i>Accounts II, etc —</i>			
C-2—Pay of Establishments	1,943	1,100	—843
C-3—Allowances, Honoraria, etc	88	100	+12
C-7—Contingencies	800		—800
C-9—Works	3,310		—3,310
Total	6,141	1,200	—4,941

(15) *Persian Legation at Teheran*—This Legation is under the direct control of His Majesty's Government. The estimates in the Indian budget constitute but a fraction of the expenditure on the Legation. The provision in the Indian budget is Rs 1,400 for escorts' pay and Rs 4,700 for house-rent and other allowances. Nearly 90 per cent of the provision of 13 for contingencies is for postage and telegrams.

Proposals—The only portion of the establishments of the Legation at Teheran for which provision is made in the Indian estimates appears to be the escorts, the provision being Rs 1,400 for their pay. If the house-rent and other allowances be for the escorts, the provision of Rs 4,700 is excessive. A provision of Rs 13,000 for Contingencies is also unduly high.

The budget might be reduced by Rs 4,100 to Rs 15,000.

(16) *Khorasan*—The Khorasan Consulate-General at Meshed in the north-eastern corner of Persia, not far from the Russian and the Afghan frontiers, is exceptionally well situated in relation to Russia and Afghanistan, which both maintain Consulates-General there.

A Consul-General (special pay Rs 250, sumptuary allowance Rs 500, conveyance allowance Rs 100, customs compensatory allowances Rs 100), an Indian Attaché (Rs 400—20—500), three clerks and a wireless operator are maintained. Apart from the pay and allowances of the staff the only important provision is the unusually large provision of Rs 31,300 for office allowance which presumably includes secret service money. The entire staff is provided with residential accommodation.

Medical work is entrusted to the American Mission.

Expenditure has varied as below —

	1913-14	1922-23.	1924-25	1929-30	1931-32.
Pay of officers	59	69	1 63	38	35
Pay of establishment	20	19		13	09
Allowances, etc	10	09		20	16
Supplies and Services				01	01
Contingencies	54	44		41	35
Works				05	
Total	1.43	1 41	1 63	1 18	.96

Transfer of the Vice-Consul's post to the Levant Consular Service, abolition of the post of Agency Surgeon (which it is now intended to revive) and transfer of sterling overseas pay to the High Commissioner's budget (42), abolition of consular escorts (09), less provision for depreciation of kranes (09), abolition of medical establishments (02) and decrease under contingencies (08) resulted in a gross decrease of 70, while increased provision for allowances added 03 to the cost. The net result has been a decrease of .67 as compared with 1924-25.

Proposals—We approve the department's proposal to abolish the post of Wireless Operator, saving about Rs 2,000 on pay and allowances and Rs 500 on the maintenance of the wireless set.

Meshed is claimed to be an expensive place where the Consul-General has to keep pace with the Russian and Afghan representatives as regards entertainment. Even then we hold that the rate of sumptuary allowance, *viz*, Rs 500 p m is unusually high. This should be reduced by more than the half which we have recommended in general. We assume a saving of Rs 600 in addition to the saving of one-half which we have already recommended generally in paragraph 6 (b) above.

The office allowance of Rs 31,300 is altogether disproportionate and should be reduced to 20. Total reduction Rs 20,400 or say 20.

(17) *Seistan and Duzdap*

(i) *Seistan*—The Seistan Consulate under a Consul controls also the working of the Vice-Consulate at Birjand. The Assistant Surgeon (pay Rs 400—500) attached to this Consulate is, *ex-officio*, Vice-Consul at Seistan itself, the department proposes to revert to the practice of appointing an I M S officer to this post. The Vice-Consul at Birjand is a Sub-Assistant Surgeon. There is also a Confidential Extra Assistant of gazetted rank (pay Rs 440—500). The Consul gets a special pay of Rs 300 and sumptuary, language and customs compensatory allowances of Rs 200, 100 and 125 respectively. Total Rs 725. The Vice-Consul, Seistan gets two special pays of Rs 150 and 100 and a compensatory allowance of Rs 50. The Vice-Consul of Birjand and the Extra Assistant also get special pays of Rs 50 each and customs compensatory allowances of Rs 10 and Rs 50 respectively.

The establishments consist of four clerks, a Trade Agent, two Sub-Assistant Surgeons, a compounder, a dresser, and twelve dak and postal sowars. There are also provisions of Rs 300 for a telegraph establishment, Rs 600 for a special pay to the wireless operator, and Rs. 8,300 for escort charges.

Duzdap—The Vice-Consulate at Duzdap was created in 1923-24 and since 1926-27 a trade agency is also maintained there. The Vice-Consul gets a special pay of Rs. 100, a sumptuary allowance of Rs 150 and a customs compensatory allowance of Rs 50. The establishments consist of a Trade Assistant, two clerks, two servants, a Sub-Assistant Surgeon, a compounder, a dresser, and guards for the Vice-Consulate.

The Duzdap Trade Agency is manned by a Trade Agent (Rs 400), two clerks and four servants.

Expenditure—Seistan and Duzdap—Apart from the pay of the establishments the important provisions are —

Seistan.—Rs 8,000 for travelling allowance, Rs 2,500 for the maintenance of a lorry, Rs 11,500 office allowance and Rs 3,000 for “special charges” which, we presume, means, “or at least includes, “secret service money”

Duzdap Vice-Consulate—Rs 5,300 for office expenses and miscellaneous expenditure

The following tables show how the expenditure on Seistan and Duzdap and the staff maintained there have grown —

(a) <i>Expenditure</i>					
	1913-14	1922-23	1924-25	1929-30	1931-32
Pay of officers	41	46	1 53	61	62
Pay of establishment	30	37		44	46
Allowances, etc	08	13		22	21
Supplies and Services	05	03		08	08
Contingencies	32	21		32	27
Total	1 16	1 20	1 53	1 67	1 64

(b) <i>Staff</i> .				
Officers	4	4	7	7
Clerical	} 27	26	15	14
Inferior			20	16

Compared with 1924-25 expenditure has grown by 11 This is the net result of a gross increase of 41 and a gross decrease of 30 The former was brought about as follows —

(a) 16 by the creation of the Trade Agency at Duzdap in 1923-24, (b) 20 due to the posting of a senior officer and addition to, and revision of pay of, establishments and entertainment of guards for the Vice-Consulate at Duzdap, (c) Rs 1,300 by the revision of pay of establishments, maintenance of the wireless set and increased provision for the maintenance of a motor lorry for the Seistan Consulate, (d) Rs 3,246 by increased provision for allowances It was counter-balanced to the extent of 16 by the transfer to the High Commissioner's budget of sterling overseas pay and by the posting of junior officers and of 14 by the decreased provision under other heads including depreciation (09) of krans

(ii) *Proposals*—(a) *Seistan* —Between 1922-23 and 1931-32 the number of officers has grown from 4 to 7 and of establishment from 26 to 30 Expenditure has naturally grown from 1 20 in 1922-23 to 1 64 in 1931-32 There is a clear case for reduction

Since there is a Trade Assistant available at Duzdap, the Vice-Consulate at Duzdap dating from 1923-24 should be abolished, saving 41

Again, at Seistan itself it should not be necessary to have both a part-time Vice-Consul—viz, the Agency (now Assistant) Surgeon, *ex-officio*,—and a full-time Consul The provision of Rs 1,200 for the payment of what in effect is a duty allowance to the medical officer at Seistan for work as a part-time Vice-Consul should be deleted Further, we do not accept the department's view that this consulate should revert to the practice of having an I. M. S. Officer in charge of the medical arrangements at Seistan, Duzdap and Birjand In our opinion the extra cost is out of proportion to the gain, if any, expected from the change of practice contemplated

Other economies should also be effected so as to reduce the expenditure by at least 45 in the aggregate,

(b) *Duzdap* —A Vice-Consulate was set up here in 1923-24 and, in addition a trade agency in 1926-27. We understand that the Trade Agency does mainly “intelligence” and “passport” work, and that police work on the Duzdap-Nushki section of the railway is slight. We have been informed that the railway now ends at Kundi. The former work used to be done by the Baluchistan Agency’s staff. *Prima facie* we see no reason why both these new establishments should be retained. We have proposed the abolition of the Vice-Consulate, Duzdap [see (a) above], in this conclusion we are fortified by the fact that the railway now ends at Kundi and Duzdap is no longer of great importance. Here, we are content to recommend that the provision of Rs 3,600 for secret service expenditure should be reduced by one-half. We cannot justify heavy secret service expenditure by an officer professedly maintained for trade purposes. The provision of Rs 2,400 for the officer’s leave salary will presumably not be needed. A reduction of at least Rs 4,000 in the provision of Rs 16,400 should thus be made in the 1932-33 budget.

(18) *Summary* —On our retrenchment proposals for the period of transition the total reduction of expenditure will be 2 20 lakhs (against 2 19 in our skeleton scheme) *plus* 60 on the despatch vessel=2 80 lakhs.

There will also be a genuine and permanent saving by halving, as proposed by us in paragraph 6 (b), the special pays and allowances and also by the department’s proposal to recruit escorts locally. We are unable to estimate the amount, but we expect that it will be a substantial figure.

CHAPTER XIX

KABUL LEGATION AND THE CONSULATES AT JALALABAD AND KANDAHAR

(1) *Introductory* —We shall now deal with Head D —Other Diplomatic Charges—of Account II This head is concerned entirely with His Britannic Majesty's Legation at Kabul established in 1923 and its subordinate Consulates at Jalalabad and Kandahar

Afghanistan used to be in political relations with the Government of India, and a subsidy (which in 1913-14 was Rs 19 lakhs) used to be paid to the Amir from Indian revenues After the Third Afghan War (1919) followed by the Treaty of 1921, direct diplomatic relations were established between His Majesty's Government and Afghanistan, and relations with India except as a part of the British Empire as well as the subsidy came to a close In fact, however, the entire expenditure on the Legation and the two Consulates is still charged to Indian revenues

(2) *Organisation* —(a) *Kabul Legation* —The British Minister at Kabul is assisted by a Counsellor, a Secretary and an Oriental Secretary. A Surgeon is also attached to the Legation The ministerial establishment comprises a Superintendent, a Second and a Third Clerk, a Mir Munshi, an Accountant, a Passport clerk, a Nazir, a Sub-Assistant Surgeon and other medical staff A Garage Superintendent is also maintained The 1930-31 estimates contained a provision of Rs 5,100 for mounted orderlies, this provision has not been repeated in the 1931-32 estimates under pay of establishments

The Minister gets a sumptuary allowance of Rs 750 p m, and the Oriental Secretary a sumptuary allowance of Rs 300 p m For special pays and other allowances paragraph 5 (iv) (c) may be seen

(b) *Jalalabad and Kandahar Consulates* —For each Consulate a Consul, a clerk, a Sub-Assistant Surgeon and two servants are maintained The Consul at Jalalabad gets a sumptuary allowance of Rs 300 and his confrère at Kandahar Rs 100 p m

(3) *Expenditure* —(A) *Explanation of the grant* —The 1931-32 total provision for the Legation and its subordinate Consulates is 4.09 lakhs including Rs 5,000 for entertainment charges but excluding Rs 8,500 for Kabul refugees and State prisoners A little over 75 per cent of the total cost is incurred on the Kabul Legation itself —

(i) *Kabul Legation* —Of the total provision of 3.50 lakhs for the Kabul Legation, 1.19 represents the pay of the diplomatic officers and 56 is the provision for the pay of establishments including medical Among the other noteworthy provisions are —

Rs 12,600 for sumptuary allowance,

Rs 8,000 for house rent and other allowances,

Rs 39,000 for the purchase and upkeep of motor lorries,

Rs 1,100 a new item for the purchase and upkeep of motor cars,

Rs 9,700 for Legation and camp furniture, and

Rs 28,500 for office expenses and miscellaneous expenditure

(ii) *Jalalabad and Kandahar Consulates*—The noteworthy provisions for the Consulates are the sumptuary allowances mentioned above and a provision of Rs 3,000 for initial furniture for the Kandahar Consulate. This presumably is a non-recurring provision.

(B) *Progress of expenditure*—Up to the outbreak of the Third Afghan War in 1919 there was only one British representative in Afghanistan—an Indian Mohammadan—stationed at Kabul. He was assisted by one clerk and had an escort. The expenditure on the maintenance of this Agent and his staff was naturally small, the actuals of 1913-14 being Rs 40,000 and the estimates for 1921-22 being .56 lakh.

The budget estimate for 1922-23 for the Legation was 5.26 lakhs and the total strength of the staff contemplated, including seven officers, was 36. In that year the actual expenditure excluding "Works" was 5.55. The actuals of 1929-30 are abnormal owing to the fact that the Legation had to be closed temporarily during the Afghan disturbances and remained closed until 1930-31. The following table, however, gives the figures for certain years—

	1922-23	1927-28	1928-29	1929-30	1930-31	1931-32
<i>Kabul—</i>						
Pay of officers	1 46	1 28	1 22	28	1 16	1 19
Pay of Establishments	.31	61	71	38	60	56
Allowances	42	32	39	36	29	.27
Supplies and Services	2 13	2 31	1 26	60	1 00	59
Contingencies	1 23	1 26	1 51	46	1 00	.90
Grants-in-aid			01	71	01	.01
Entertainment charges					05	05
Works					71	
	5 55	5 54*	5 10	2 80†	4.80*	3 55†
<i>Jalalabad</i>	09	28	25	10	02	27
<i>Kandahar</i>	10	24	24	10	01	28
Total for all	5 74	6 06	5 59	3 00	4 83	4 09†

* Allowing for a deduction of .24 for establishment charges debited to Army estimates.

† Difference in totals due to rounding.

Compared with 1913-14 when the expenditure was only .40, it has undergone a revolutionary change. It jumped from .56, estimate for 1921-22, to 5.55 lakhs, actuals of 1922-23. The heavy increase was due to the establishment of the Legation and the two Consulates. There was, however, an offset to this expenditure in the discontinuance of the subsidy payable to the Amir. We may add that the 1922-23 actuals were the result of expenditure planned on a somewhat lavish scale, *e.g.*, there was provision for a Rolls-Royce for the Minister.

The Inchcape Committee was informed that it was proposed to make reduction of 46 in the budget provision of 5 26 for 1922-23. It recommended that the question, whether a less expensive building for the Legation than the one estimated to cost sixteen lakhs would not suffice, should be considered. It will also be seen that the cost of the Legation has been going down, steadily; (year 1929-30 was abnormal)

(C) *Analysis of the progress of expenditure since 1924-25* — Compared with the actuals of 1924-25, the 1931-32 provision shows a decrease of .75 lakh. This decrease is the net result of the following causes —

(i) The following items caused increased expenditure:—

	Rs
(a) Special pay to the Garage Superintendent and the appointment of a clerk and a nazir	7,454
(b) Increased sumptuary allowance to the Minister, larger provision for house rent and other allowances [For brief history see paragraph 5 (ii) (c)]	3,715
(c) Increased provision for entertainment	1,000
(d) Increased provision under "Contingencies"	5 322
(e) Contribution for passages for military officers	600
(f) Revision of pay of hospital establishment and increased provision for medicines, etc	4,700
(g) Increased sumptuary allowance, house rent, and contingent expenditure in the Jalalabad Consulate	4,344
(h) Provision for new furniture (Rs 3,000) and increased contingent expenditure in the Kandahar Consulate (Rs 598)	3,598
Total Increase	30,733

(ii) On the other hand there was a decrease of expenditure on the following items —

	Rs.
(a) Omission of the provision for Kabul compensation allowance	15,890
(b) Reduction on purchase and upkeep of cars and horses mainly due to the abolition of the Consular guards	31,702
(c) Posting of junior officers and provision of sterling overseas pay in the High Commissioner's budget	28,925
(d) Reduction of expenditure under Rates, Rents, and Taxes owing to the construction of Government buildings for the Consulate	29,000
Total decrease	1,05,517

(iii) The net decrease is Rs 74,784. But a good deal of the decrease under (ii) (c) is merely nominal and gives no relief to central revenues, since the money has to be found in any case.

(4) *Departmental offer* —The Minister had at first provisionally agreed to make a definite reduction of 30 in his budget estimates for 1932-33. The department's actual offer to reduce the expenditure has, however, amounted to 23 lakh in the combined budget of the Legation and the two Consulates. The department has further explained that there will be additional receipts of Rs 6,000 which formerly used to be accounted for as reduction of expenditure. The details of this reduction have, however, not been supplied to us.

(5) *Our proposals* —We question India's liability to bear as she at present does the whole of the expenditure on the Kabul Legation and its subordinate consulates. Afghanistan now maintains direct diplomatic relations with His Majesty's Government. It is a matter of common knowledge that many European and Asiatic powers maintain their own diplomatic representatives at Kabul. Hence, we presume that even apart from the question of India, His Majesty's Government would maintain diplomatic relations with Afghanistan, which today occupies a more important position in international politics and trade than she did formerly. Great Britain should therefore bear her share of the cost of the Legation. We must admit the difficulty of assessing precisely the relative interests of Great Britain and India in Afghanistan. Our own inclination is to suggest that His Majesty's Government should be invited to undertake *at least* one-half of the total cost. For the present and as a modest beginning, however, we shall be content if they agree to contribute one-third of the cost of the Legation proper. As regards trade interests it is true that India is interested in the trade with Afghanistan. We are not, however, inclined to accept the view that the consulates at Jalalabad and Kandahar are maintained entirely or even mainly for the furtherance of trade between Afghanistan and India. We have had no evidence to show that their establishment has contributed to any increase in such trade. Our recommendation is that the consulates should be abolished altogether, and that in any case they should cease to be a burden on Indian Revenues.

While we proceed to examine the expenditure in some detail, we shall assume a reduction of expenditure by one-third, *i.e.*, 1.18 from this proposal.

(1) (a) Considering that a single representative of the Indian Government could carry on diplomatic relations with Afghanistan before the establishment of the Legation, the present staff of the Legation appears to us to be altogether excessive. When there is a Minister on a pay almost equal to that of a First Class Resident and he has a Secretary and an Oriental Secretary, we see no reason why there should also be a Counsellor. The provision of 29 for this post should be deleted.

(b) The provision for the pay of establishment was 31 in 1922-23, it is 56 now. This provision should be reduced [*vide* (c) below] to about 45 lakh, the additional 14 makes due allowance for revisions of pay and accrual of increments.

(c) The following table shows the scales of pay and the special pays for each member of the staff of the Legation and the Consulates. The current provisions are also mentioned so as to place the special pays against the background of the pay proper. It will be seen that out of the Rs 3,710 p.m., Rs 2,000 is payable to officers and the rest to the establishments. Considering

that there are sumptuary, house rent and other allowances still payable to various officers, we think that there is unusually large room for reduction of expenditure without any appreciable curtailment of the strength of the staff

	Scale of pay Rs	1931-32 provision Rs	Special pay per mensem Rs
<i>Kabul Legation</i>			
1 Counsellor	500—2,250	29,000	500
1 Surgeon	1,100	18,000	400
1 Secretary	500—2,250	14,200	300
1 Oriental Secretary	600	12,000	400
<i>Establishment</i>			
1 Superintendent	500—600	9,400	250—300
1 Third Clerk	150—200	5,100	225
1 Second Clerk	250—300	5,800	225
1 Mir Munshi	150—200	5,100	225
1 Accountant	150—200	5,100	225
1 Garage Superintendent	450—600	9,000	150
1 Passport Clerk	150—200	4,200	150
<i>Jalalabad Consulate</i>			
1 Consul	600	9,600	200
1 Clerk	150—200	2,200	30
1 S A Surgeon	150	3,000	100
<i>Kandahar Consulate</i>			
1 Consul	600	9,600	200
1 Clerk	150—200	2,200	30
1 S A Surgeon	150	3,000	100
Total		1,46,500	3,710

The Minister's sumptuary allowance used to be at the rate of Rs 500 until it was raised in 1924 to Rs 750 p m, and again, as an experimental measure for three years, from 1928-29 to Rs 1,000 p m. On taking charge the present minister agreed to accept Rs 750 p m on condition that it should be open to him to come up for a reconsideration of the rate. We propose that this allowance should be reduced to the pre-1924 figure of Rs 500 p m. The sumptuary allowance to the Oriental Secretary should be abolished.

As regards other special pays and allowances, we suggest a fresh scrutiny, but provisionally and pending the result of such scrutiny we recommend, as we have done in the case of the North-West Frontier Province, etc., that these special pays and allowances should be reduced by one-half.

(d) Although we recognise that the current provision for the courier's service is appreciably less than the budget estimates for 1930-31, we do not

see the need for such a large provision We hope that the Department would see its way to substitute arrangements which would not involve such a heavy expenditure While we recommend that this question should be scrutinised, we are not in a position to indicate the resultant savings

(e) The budget should of course be reduced by the abolition of all non-recurring provisions, *e g* Rs 3,000 for the initial furniture for the Kandahar Consulate

On the specific proposals and suggestions made above and after making allowance for possible savings, we recommend that the budget for the Kabul Legation proper should be brought down by 57 lakh, *i e*, to about 3 00 lakhs, out of which at least one-third should be borne by His Majesty's Government.

(6) *Summary* —Our proposals will yield a saving of 2 10 lakhs (1 55 on the Kabul Legation and 55 on the Consulates) in the Government of India's budget for 1932-33

CHAPTER XX

OTHER POLITICAL EXPENDITURE

We shall now deal with the rest of Account II—Other Expenditure Heads—and with Account III—Expenditure in England and Exchange

(1) *Account II*—The expenditure covered by Account II amounts to 48 62 lakhs and has varied as shown below —

	1926-27	1927-28	1928-29	1929-30.	1930-31	1931-32
Allowances to Dera Ghazi Khan tribes	13	13	13	13	13	13
Charges of N E Frontier (Assam)	1 19	1 09	1 11	1 07	1 12	1 12
Expenditure in Persia	9 23	9 23	10 32	9 19	8 73	8 59
Other diplomatic charges	4 98	6 31	5 59	3 00	4 07	4 04
Political subsidies	3 06	3 09	3 07	3 09	3 07	3 07
Entertainment charges	88	1 46	1 11	41	38	40
Refugees, etc	3 48	3 39	3 29	3 57	3 21	3 15
Special political expenditure	10 04	10 64	10 00	10 05	49 89	10 00
Indian States Forces	5 71	5 76	5 97	5 91	6 00	6 44
Works	2 31	1 33	1 68	2 99	3 57	4 18
Miscellaneous	7 48	10 91	6 85	9 39	8 25	7 49
Lighting and buoying in the Persian Gulf	— 15					
Total	48 34	53 34	49 12	48 80	88 42	48 62

We have already dealt with charges on the North-East Frontier along with other political expenditure in Assam (*vide* Chapter XVII) and with diplomatic and consular services in (a) Persia and the Persian Gulf (*vide* Chapter XVIII) and (b) the Kabul Legation and its two subordinate Consulates at Jalalabad and Kandahar (*vide* Chapter XIX). We shall deal with (a) charges for organising Indian States Forces and (b) the Malwa and the Mewar Bhil Corps in Chapters XXI and XXII respectively.

In this chapter we shall deal with the remaining comparatively unimportant items

(2) *Allowances to Dera Ghazi Khan Tribes*—The provision is 13 in the Punjab circle of Account. These allowances are paid to the tribes inhabiting the strip of country between Dera Ghazi Khan and Baluchistan. The amount used to be Rs 10,000 till 1920, when it was raised to the present figure of 13

lakh, presumably because of the unprecedented rise in the cost of living which had followed in the wake of the War

These allowances are, in essence, an amalgam of payments for services rendered and tribal subsidies. The circumstances under which they are paid are, we suppose, similar to those in the case of the allowances paid from the North-West Frontier Province and Baluchistan "area" grants. We presume that the tribes would consider that the amounts are obligatory and irreducible. Besides, the total provision is small. Hence, although there is a colorable case for their reduction to at least the pre-1920 level on the ground of the fall in prices, we refrain from making any recommendation for reduction.

(3) *Political Subsidies* —The provision for political subsidies in the "non-area" grant is 3.07, viz., Rs 1,86,400 to the Sultan of Muscat, Rs 1,00,000 to Bhutan State, Rs 12,000 to Sikkim Durbar and Rs 8,600 for subsidies to the Mirs of Hunza and Nagar and to the Chiefs and Governors of certain political districts in the Gilgit Political Agency. The amounts of the subsidies to Muscat, Bhutan and Sikkim are fixed. The expenditure on subsidies in the Gilgit Agency appears to be variable as shown by the following actuals —

1926-27.	1927-28	1928-29	1929-30.
Rs.	Rs	Rs	Rs
7,180	10,523	8,500	10,800

In view of the importance of respecting the Government of India's engagements we do not recommend any reduction. We might, however, point out the desirability of keeping these payments within defined limits.

As for the Muscat subsidy, we have dealt with it under our main proposal in Chapter XVIII, paragraph 6(a)

(4) *Entertainment charges* —The 1931-32 provision is Rs 39,600. These charges are essentially of a fluctuating nature, and are intended in most cases to meet the cost of firing salutes in connection with the visits of Indian chiefs and notabilities and on ceremonial occasions. Prior to the retrenchment of the army budget the firing of salutes was a service rendered gratuitously by the Army. Since the so-called "commercialisation" of the army budget the Army charges for these services. The balance is intended to provide for the entertainment of visitors to the agencies.

We are not aware of the principles on which the payments to the army for the firing of salutes were fixed or are determined. Since presumably no extra personnel has to be engaged, we suggest that only the direct extra cost involved to the army by this service should be charged. In this connection we may also refer to the general fall of prices of all commodities. Some reduction should thus be possible. We recognise that it is difficult to adduce precise reasons in favour of a particular figure. But taking everything into consideration we think it should not be difficult to reduce the provision by about .15 to .25. Under our proposal in Chapter XII, paragraph 14, the provision of Rs 1,500 for expenditure on "entertainment" at Yatung will, of course, not be required.

(5) *Refugees and State Prisoners* —The amount provided in the 1931-32 estimates is 3.15 lakhs. A considerable portion of this provision is for ex-

penditure in connection with the late *Ex*-Amir Ayub Khan and his descendants and their dependents The following table shows the details —

	Rs
<i>India</i> —	
Burmese Princes	3,100
<i>Bengal</i> —	
Kabul refugees and State Prisoners	25,800
<i>Madras</i> —	
Chitrali detinue	600
Mapillas and other prisoners	24,000
<i>Bombay</i> —	
Kabul refugees and State prisoners	9,300
Special allowance to the late <i>ex</i> -king Thebaw's family	2,400
<i>United Provinces</i> —	
Charges in connection with the late <i>ex</i> -Amir of Afghanistan	31,200
Allowance to Afghan refugees from Kabul	50,300
Allowance to other State prisoners	9,700
Afghan Refugees deported from Persia	29,300
<i>Punjab</i> —	
Allowances to Sardar Ayub Khan's family and followers	30,500
House rent for Sardar Ayub Khan's family	2,900
Educational allowances	1,300
Allowances to Afghan Refugees from Kabul	5,900
Allowances to Sardar Abdur Rehman Khan and his followers	29,300
House rent, etc , for Sardar Abdur Rehman Khan and his followers	4,900
Education allowance	2,800
<i>Burma</i> —	
Refugees and State prisoners	51,400
	<hr/>
	3,14,700

We consider that broadly speaking this expenditure is more or less obligatory. We have therefore no reduction to suggest

(6) *Special Political expenditure* —The only provision in the 1931-32 budget is for the annual present of ten lakhs to the Government of Nepal. We observe, however, that the revised estimates for 1930-31 included an extra provision of 39 89 lakhs for other special political expenditure We have no proposal to make in regard to the annual present to the Government of Nepal.

(7) *Works*.—The total provision is 4.18 lakhs, *viz* ,

	Rs
Gyantse	11,800
Gyantse (new item)	33,700
Gwahor	20,000
Mysore	16,000
Yatung	3,600
Yatung (new item)	2,000
Mewar	3,400
Kerman	800
Madras Circle	27,100
Punjab	3,00,000
	<hr/>
	4,18,400

A sum of three lakhs represents a portion of the non-recurring outlay on the construction of buildings for the Punjab States Agency at Lahore The balance is for expenditure on minor works connected with the various "non-area" agencies and residencies.

As regards agency buildings at Lahore, we have already stated that some provision will be needed in 1932-33 to complete the construction of the agency buildings and that such provision as may be found necessary may be treated as additional to the budget proposed by us for that agency. Since we do not know the extra amount that will be needed in 1932-33 we have assumed, subject to what has been stated above, a reduction of 3·00 on this account. In addition, under our proposals in Chapter XII, paragraph 14, the whole of the provision for Works in Gyantse (46) and Yatung (06) will disappear, saving 52 Total saving 3 52 lakhs

(8) *Miscellaneous*.—(a) Malwa Bhil Corps (K 1) and Mewar Bhil Corps (K·2) will be dealt with in a separate chapter

(b) K 3 is a provision of 55 for Secret Service money at the disposal of His Excellency the Viceroy. While we do not definitely propose any reduction in this amount, it might be suggested to His Excellency the Viceroy that he might perhaps find it feasible to effect a ten per cent reduction, leaving the future provision at 50

(c) Under K 4 provisions have been made for the following —

<i>India</i> —	Rs
(i) Share of salary of the clerk in the Addis Ababa Consulate	800
(ii) Payment of customs duty on arms and ordnance stores supplied to Indian States (Gwalior Rs 2,000, Mysore Rs 1,500 and the independent State of Nepal Rs 4,100)	7,600
(iii) Education of Bhutan boys	5,000
(iv) Education of students from Nepal	4,000
(v) Hire of despatch vessel for the Political Resident, Bushire	1,20,000
(vi) Purchase and repair of Insignia of India Orders	15,000
(vii) Miscellaneous	1,000
(viii) Protector or British Indian Pilgrims in Iraq	7,800
<i>Bengal</i> —	
(ix) For protector of Pilgrims and his establishment at Calcutta	8,500
(x) Other expenses	7,100
<i>Madras</i> —	
(xi) Miscellaneous Political charges on establishments, etc., in Madras	32,700
<i>Bombay</i> —	
(xii) Protector of Pilgrims at Bombay and Karachi and their establishments	53,200
<i>United Provinces</i> —	
(xiii) Demarcation of boundaries between British territory and Indian States and other expenses	1,100
<i>Punjab</i> —	
(xiv) Khilats to Indian Chiefs on succession	2,000
(xv) Demarcation of boundaries between British territory and Indian States	1,000
(xvi) Rewards for Political Services	1,900
(xvii) Customs duty on arms and ordnance Stores supplied to Indian States under the Kashmir Residency (10,000), the Punjab States Agency (11,000) and the Punjab Government (1,000)	22,000
<i>Burma</i> —	
(xviii) Grants to Karenni States for educational and medical purposes. The department states that these were prompted by political considerations	13,500
(xix) Compensation to Yunnan Government in trans-frontier cases	400
<i>Bihar and Orissa</i> —	
(xx) Demarcation of the Nepal Border	7,000
<i>Assam</i> —	
(xxi) Expenses including those of the demarcation of the Bhutan border	31,300
	<u>3,42,900</u>

We have no proposals to make regarding items (i), (ii), (iii), (iv), (vii), (ix), (x), (xi), (xii), (xiv), (xv) (xvi), (xvii), (xix) and (xx) except that savings offered by the department, viz, 07 lakh under (xx) may be accepted

The provisions for items (vi), (viii), (x) and (xiii) should be reduced by ten per cent saving 05 lakh.

As regards item (v) we have already proposed, *vide* paragraph 6 (a) of chapter (xviii), that this and other similar expenditure in Persia and the Gulf Littoral and elsewhere should be borne by the British exchequer and that pending negotiations with His Majesty's Government the expenditure should be reduced from 1 20 to about 60, saving 60. We have taken 1.20 into our calculation of savings under our main proposal, hence, we leave the saving of 60 from our subsidiary proposal out of account

As regards item No (xii), our recommendation [*vide* paragraph 3 (vi) of Chapter XVII] will reduce the provision for 1932-33 by 20

On our proposals the expenditure will be reduced by 32

(9) *Account III*—Account III covers 12 76 lakhs for (i) leave and deputation salary (6 40), (ii) Stores (20) and (iii) other charges (6.16).

There might be some reduction of expenditure from the provisions for leave and deputation salaries payable in England. But we have not the necessary detailed information and are not in a position to estimate it

As regards the provision of 20 for Stores, we consider that a reduction of expenditure by 01 in the light of actual expenditure in the past is feasible

As regards the provision of 6 16 lakhs for "Other charges", we presume that the contribution from Indian revenues towards the maintenance of diplomatic and consular establishments in China is met out of this grant. We have been informed that the Retrenchment Committee appointed by the Secretary of State himself in 1931 under the chairmanship of Sir Henry Wheeler has already recommended that "efforts should be made to secure the discontinuance of the Indian contribution". In our opinion the same principle should be applied to other contributions (if any) from Indian revenues towards the maintenance of diplomatic and consular representation in other countries (In this connection we may invite attention to what we have stated in the case of Persia and the Persian Gulf Littoral). Since we do not know the total amount of such contributions, we are not in a position to estimate the resultant saving

As regards the rest of the expenditure under "other charges" we recommend that it should be subjected to a cut of 25 per cent, this being the rate of cut which we have applied to grant No 86—Expenditure in England—Secretary of State for India

On our proposal the immediate reduction of expenditure should be £12,000 *plus* 1 14 lakhs=2 75 lakhs

This saving was not included in the skeleton scheme supplied to the Finance Department. The reason was that we were not aware that India's contributions towards the maintenance of diplomatic and consular establishments were met out of the provision for other charges.

CHAPTER XXI

INDIAN STATE FORCES (6.44 LAKHS)

(1) *Introductory* —The history of this advisory and inspecting organisation goes back to the inception of the Imperial Service Troops Scheme, when the important Indian States were permitted to maintain specified units of the forces that they could maintain under their treaties, for service with the Indian army

A staff of military officers and some establishment are maintained at a cost of 6 44 lakhs for the purpose of giving advice and help to Indian States in the training and administration of their forces and for their inspection. The objectives are said to be to ensure that (i) the States forces are kept "in such a state of efficiency, good discipline and contentment that they shall not become a menace to the States themselves or to Government", and (ii) their training and organisation are on the same level as those of the regular army.

The sanctioned strength of such forces supervised by this organisation is —

Artillery 1,432 (Technical), Cavalry 9,262, Infantry 28,882, Camel Corps 466, Motor Machine Gun Section 75 (Technical), Sappers and Miners 1,307 (Technical), Transport Corps, 1,660 Total 43,084

(2) *Organisation* —(i) The sanctioned strength is 27 officers, viz ,

(a) For the whole of India —

Military Adviser-in-Chief and his staff officer at the headquarters of the Government of India

2 Technical Advisers for Weapon Training

1 Technical Adviser for Signalling

1 Assistant Military Adviser, Sappers and Miners

1 Military Adviser for Camel Corps

2 Military Advisers for Artillery

(b) for particular areas —

3 Special Service officers in Gilgit, one for Artillery and 2 for Infantry

4 Military Advisers in the Punjab Circle, out of which one post of Assistant Military Adviser is kept vacant, because the Patiala and Kashmir Darbars employ lent officers

3 Military Advisers in the Rajputana Circle

3 Military Advisers in the Central India Circle

1 Assistant Military Adviser in the Gujarat Circle

2 Military Advisers in the Kathiawar Circle

2 Military Advisers in the Southern India Circle, out of which one post of Assistant Military Adviser has hitherto been kept vacant. It was proposed to fill it up with effect from the 15th August 1931 as the Hyderabad State Forces are in process of reorganisation.

(ii) The officers receive the same pay as regular officers employed with the regiments except that in lieu of the Indian Army Allowance they draw fixed 'additional pay' including the Indian Army Allowance. The additional pay is Rs 500 per mensem for Military Advisers and Staff Officer to the Military Adviser-in-Chief and Rs 300 per mensem for Assistant Military Advisers. The Military Adviser-in-Chief however gets a fixed pay according to his rank.

(iii) The ministerial and inferior establishments number 42 and 8 respectively.

(3) *Expenditure* —

(a) Of the 6.44 lakhs provided for this organisation officers' pay absorbs 4.35, while the pay of establishments accounts for .59. Among the other important items of cost are —

(i) Travelling allowance (including a new item of .03)	83
(ii) House rent, etc., allowance (including a new item of Rs 400)	204
(iii) School for Senior Officers	04
(iv) Passage contributions to the Army	17

(b) The table below shows how the expenditure has been growing yearly almost without interruption —

	1922- 23	1924- 25	1925- 26	1926- 27	1927- 28	1928- 29	1929- 30	1930- 31	1931- 32
Pay of officers	3 13	3 34	3 60	4 02	3 86	3 99	3 94	3 96	4 35
Pay of establishment	32	.33	36	40	45	49	51	54	59
Allowances	59	76	93	87	91	98	98	1 02	1 03
Contingencies	19	18	20	20	23	27	29	29	26
Senior Officers' School					02	06	03	03	.04
Grants-in-aid					29	18	15	16	17
Total	4 23	4 61	5 09	5 49	5 76	5 97	5 90	6 00	6 44

It will be noticed that the 1931-32 provision is over half a lakh in excess of the actuals of 1929-30, and that most of the growth is in the provision for the pay of officers.

(-) The growth of 1.83 lakhs compared with the actuals of 1924-25 was caused by —

(i) Revision of officers' pay and increase of three in their number (Rs 1,00,281)

(ii) Revision of pay and increase in establishments (Rs 26,318)

(iii) Larger provision under 'allowances' necessitated by the increase in the numbers of officers and establishments

(iv) Passage contributions payable to the Army Department

(v) Provision for training of senior officers of the Indian State Forces (Rs 4,000)

(vi) Increased provision under 'contingencies' due to increased strength of officers and establishments (Rs 7,867)

(4) *Inchcape proposals* —The Inchcape Committee was informed by the department that the Indian State Forces were “ of much value and had been taken into account in determining the strength of the regular forces ”, it made no recommendation. We may, however, point out that appreciable reductions were, all the same, made in the expenditure, the actuals of 1922-23 and 1924-25 being 4 23 and 4 61 lakhs respectively against 5 09 estimated for 1922-23.

(5) *Departmental proposals* —The department has offered a reduction of 1 11 lakhs. The main item in its retrenchment scheme is the proposed abolition of six posts of officers, *viz*, three Special Service Officers in Gilgit, the two Technical Advisers on Weapon training and one Assistant Military Adviser in Kathiāwar.

(6) *Our proposals* —We appreciate this offer, but are constrained to observe that the principle on which it is based leaves the entire policy underlying this organisation untouched. We have given our careful attention to three main questions, *viz*, (i) whether this expenditure is a legitimate charge on the ‘ Political ’ estimates, (ii) whether the entire expenditure should fall on the central revenues and (iii) whether the advisory and inspecting duties of this organisation could and should be performed, efficiently and without any serious objection, by deputing officers from the regular army at intervals.

(i) As regards the first question, we observe that the charge was borne by political estimates even before the retrenchment campaign of 1922-23. Further, we must concede that the question, relating as it does to the Indian States, is to some extent of a political character. We are not, however, disposed to agree that the keeping of the peace inside the borders of the State concerned is the real primary objective, we rather think that the maintenance of an efficient auxiliary force to co-operate with the regular Indian army in time of need is the principal object in view. This indeed is the real origin of the Imperial Service Troops Scheme. We also invite attention to the department’s view quoted in paragraph (4) above. The department admits that the maintenance of these forces has saved Government the expense of providing additional regular troops. On a balance of the political and the army aspects of this question our view is that this organisation is being maintained as a part of the Imperial Indian army, and we therefore think that the entire cost should be charged to the Army Estimates. Our proposal will not, *ipso facto*, involve a reduction of expenditure. But if the Army has to find the cost within its own budget, we feel that the tendency to allow the expenditure to grow will be kept under check. In support of our contention we may cite the fact that while the army budget has not grown during the septennium 1924-25 to 1931-32 the estimated expenditure on this organisation has increased by over 50 per cent on the actuals (*viz*, 4 23) of 1922-23. Incidentally we may point out that both political and army estimates are non-voted and therefore the usual objection to a proposal to show genuine military expenditure under the army estimates, *viz*, that the proposal would convert votable into non-votable expenditure and would thus be a retrograde step from the point of view of India’s constitutional evolution, is not applicable to our proposal in this case.

(ii) On the second question we note that the department holds that since the Indian Government maintain this organisation for their own purposes and have always met its cost from their own revenues, it will not be practicable

politics to invite the States concerned to bear or share the cost. The argument which relies merely on past practice does not sound convincing to us. We also question the proposition that this organisation is maintained entirely for Government's own purposes. It is true that the objectives aimed at are partly the Government of India's own purposes. But, the Imperial Service Troops Scheme was welcomed by the States inasmuch as it enabled them to train specified units of their forces to a high level of efficiency and to maintain such level. It cannot reasonably be denied that such training and frequent advice must enable the States to keep their own internal peace and security better than if their forces were left without the training. Besides, the scheme satisfied the *amour propre* and enhanced the dignity of the States concerned. These are all cogent reasons for claiming at least a share of the cost from the States. But since the entire constitutional issue of the Indian Government's relations with the States including their mutual financial obligations is at present in the "melting pot" and no very large amount is involved, we propose that this question should be brought to the notice of the various authorities (including special committees of enquiry) interested in it, and that otherwise the existing position might be left unaltered for the present.

(iii) On the last main issue we may first explain the department's view. It holds that 'the chief function of this organisation is to advise and assist the States in the training and administration of their forces and that inspection is an incidental and secondary role. The standard of education and efficiency of the officers of the States forces being low they require considerable assistance which must be given continuously. The officers of the Advisory staff cannot, however, command nor insist that their advice must be followed. The fact, that in most cases their advice is followed and improvement effected, is solely due to their obtaining the trust and confidence of the *darbar* officials and troops as a result of close and personal relations with them. Such relations could not be established by officers of the regular army periodically detailed to inspect and necessarily chosen fortuitously. Apart from training there is a considerable amount of administrative work continuous throughout the year for the performance of which local offices of Military Advisers must exist. A yet more insurmountable obstacle to the proposal is the insistence of the States on their right to the absolute control of their own forces and their consequent resistance to any suggestion that the supervision of these forces should in any degree be vested in Army Headquarters. Their attitude on this subject can be seen in almost any of the proceedings and discussions which have taken place when the organisation of the Imperial Service Troops or Indian States Forces has been under consideration."

We have given our very careful consideration to these pleas, but they fail to satisfy us. The deputation of officers from the regular army, at intervals for advisory and inspecting duties does not, by any means, place the States forces under the Army Department, nor does it place the States in direct relations with the Army Department in this respect. Even at present the officers do in fact belong to the army and do not sever their connection with it. In a sense, they are "seconded" from the army for advisory and inspecting duties. The line of demarcation between this and periodical deputation is very thin indeed and for practical purposes can be ignored. An obvious way

to eliminate any reasonable ground for suspicion on the part of the States is to declare the policy in this respect in clear terms and to depute the same officers for a number of visits. The only difference which the adoption of this suggestion of ours would make is that the need for a permanent special staff would be obviated. The States too will stand to gain by getting the services of men with fresh army experience. The present scale of central expenditure has to be met out of taxation and other measures, some of which effect the Indian States almost to the same extent as British India. We therefore presume that if the position is clearly explained to them, they will not reject a suggestion whereby substantial economy is effected without prejudicing their position *vis-a-vis* their own forces. We of course assume that the functions of the advisory and inspecting officers and their relations with the States forces would remain what they are and would not give them any authority to 'command or insist that their advice must be followed'.

Further, we think that the officers of the Indian State Forces should be given frequent opportunities of visiting Indian Army units and of receiving advice if they so choose. This plan has the obvious advantage that while the State officers get such advice as they need, there will be no ground for the States to suspect any insidious encroachment on their own rights and privileges.

The fact that a certain number of officers will be trained in the proposed Military College for service with the States forces also strengthens our view that the present strength of this organisation need not be maintained. The adoption of our suggestion will enable the present permanent advisory and inspecting organisation to be abolished or at any rate appreciably curtailed. While the aim we have in view is the extinction of this expenditure, we shall, for our present purpose, assume a reduction of only $\frac{2}{3}$. Even then, the provision will be 2.15 lakhs *i.e.*, a little over half the actual expenditure of 1922-23. In the light of the important changes of policy in regard to the army that have taken place since then, we consider that this reduced provision will not be found inadequate for the efficient discharge of advisory and inspecting functions in relation to States forces in accordance with our scheme.

(7) *Summary* — On our proposals the civil estimates will be reduced by 6.44 lakhs and the relief to central revenues will be 4.29 lakhs. Our calculation of savings will include 4.29 and not 6.44.

CHAPTER XXII

MALWA BHIL CORPS AND MEWAR BHIL CORPS

A.—*Malwa Bhil Corps*

(1) *Introductory*—This Corps is a semi-military force raised originally with the two-fold object of (i) finding some employment for the Bhils of Malwa and thus ensuring their own and their kinsmen's good behaviour and (ii) bringing about peace and internal security in Central India, which at that time had a degree of notoriety for general lawlessness.

As in the case of the Mina Corps and the Mewar Bhil Corps, the Malwa Bhil Corps was originally expected to be self-supporting with contributions levied from the States concerned. The following States contribute towards the gross cost (1.23 lakhs) of the Corps —

	Rs
(i) Indore	7,862*
(ii) Dhar State	12,000*
(iii) Dewas State, Senior and Junior branches	28,475
(ii) Dhar State	6,602
(i) Barwan State	3,890
(ii) Alirajpur	1,271
(iii) Jhabua	1,271
Total	61,371

* These amounts represent the annual interest of capitalised contributions at 4 and 5 per cent respectively. In all the remaining cases the payments are made annually.

The net cost to the central revenues is thus just about a half.

(2) *Organisation*—The Corps has a strength of 320 ranks and is under a Commandant on a pay of Rs 1,005 plus additional pay Rs 400. There is a provision of Rs 600 for the payment of Rs 50 per mensem to the Chief Medical Officer (*i.e.*, the Residency Surgeon) for the supervision of medical and sanitary arrangements. Two clerks, two school masters and a sub-assistant surgeon (who, besides his pay, gets a medical charge allowance of Rs 25 per mensem) are maintained.

(3) *Expenditure*—As should be expected, nearly one half of the total cost is on account of the pay of the ranks. Among the other important provisions are Rs 18,000 for grain compensation allowance, Rs 7,200 for house-rent and other allowances, Rs 3,200 for kit money to recruits, Rs 6,000 for ordnance store, Rs 2,200 for the free supply of firewood (a new item) and Rs 300 (a new item) for payment to the Army Department in respect of the inspection of arms in the possession of this Corps.

The table below shows that expenditure has remained fairly constant since the last retrenchment campaign

	1913-14	1922-23	1924-25	1926-27	1927-28	1928-29.	1929-30	1931-32.
Pay of officers	21	17		23	22	14	14	19
Pay of establishment	79	93		51	51	51	58	59
Grain Compensation allowances	41	67	1 19	19	19	17	19	18
Other charges				32	27	31	22	26
Payment in respect of inspection of arms								003
Total	1 41	1 77	1 19	1 25	1 19	1 13	1 13	1 22

The following factors contributed to an increase of 16 in the expenditure compared with the actuals of 1924-25

	Rs
Revision of pay of staff	8,000
Increased provision under Kit money to recruits	2 600
Free supply of firewood	2,200
Increments to staff and leave salary	2,900
Inspection of arms by the Army Department	300
Total	16,000

On the other hand, there was a decrease of 125 due to decreased provision for ordnance stores (10), for grain compensation allowance (Rs 1,000), and under probable savings (Rs 1,500)

(4) *Inchcape and departmental proposals*—The Inchcape Committee was given to understand that the budget of the Malwa Bhil Corps would be reduced to 1 11 and its net cost to central revenues would be 57

The department has offered to reduce the expenditure by 11 lakh *ie*, to 1 12 But we do not know the details

For our proposals see paragraph (9) below

B—*Mewar Bhil Corps*

(5) *Introductory*—Like the Malwa Bhil Corps the Mewar Bhil Corps was also raised with the double object of (a) providing employment for the Bhils and thus ensuring the good behaviour of the employees and their kinsmen and (b) policing the difficult hill country in and about Mewar. The Corps also performs guard duties at the Udaipur Residency, Mount Abu and Neemuch in addition to local duties at Kherwara and Kotra. An additional objective (no longer operative to the same extent) was to afford to British political officers protection in the areas concerned in cases of difference with the States, which in those days frequently led to conflicts

The Corps was raised in 1840 and in 1841 the Mewar Durbar agreed to pay Rs 50,000 annually towards its upkeep. But in 1883 an arrangement was made whereby the revenues of the Mewar villages in Merwara were accepted in full discharge of the contribution due from the Durbar towards the Mewar Bhil Corps, the late Merwara battalion and the cost of administration of the district of Merwara itself. At the same time an undertaking was given to the State that if the revenues from the district at any time exceeded Rs 66,000 per annum, the surplus would be handed over to the Durbar. The department's view is that so long as the existing arrangement continues, the arrangements of 1883 are binding on the British Indian Government and that the Mewar Durbar cannot be asked to make any additional contribution towards the maintenance of the Corps.

(6) *Organisation* —The strength of the Corps is 633 ranks. The commanding staff consists of a Commandant (pay Rs 1,225 plus allowances aggregating Rs 625), an Assistant Commandant (pay Rs 665 plus allowances Rs 420) and an Adjutant (pay Rs 915 plus allowances Rs 390). A medical charge allowance of Rs 100 per mensem is also paid—presumably to the Residency Surgeon at Udaipur. The other establishments consist of a Head clerk, an Accounts clerk, two school masters, thirteen bhishtis, lashkars and cooks and seven mate bearers and bearers.

Until recently regular military officers used to be appointed to the Corps for a period of five years. Now-a-days, owing to the paucity of such officers, officers of the Army in India Reserve are appointed to some posts. The rates of pay are the same as for military officers in regimental employ except that in lieu of the Indian Army Allowance they draw fixed rates of staff pay, *viz*, Commandant Rs 400 per mensem, Assistant Rs 250 per mensem and Adjutant Rs. 200 per mensem.

(7) *Expenditure* —The total provision is 2 32 lakhs including Rs 3,400 for "Works". Of the 2 29 lakhs officers' pay absorbs 52 and establishments' pay accounts for 1 20 lakhs. The other important provisions are 19 for grain compensation allowance, 18 for house-rent and other allowances, 03 for kit money to recruits and 06 for ordnance stores. The new items in the 1931-32 estimates are an additional Rs 100 for grain compensation allowance, Rs 800 for the employment of sweepers and Rs 300 for payment to the Army for the inspection of arms in the possession of the Corps.

The following table shews the progress of expenditure —

	1913-14	1922-23	1924-25	1926-27	1927-28	1928-29	1929-30	1931-32
Pay of officers	27	33		48	44	46	54	52
Pay of establishment	96	92		1 01	1 01	1 03	1 19	1 20
Grain compensation allowance	51	62	2 06	17	19	19	22	19
Other charges				67	63	59	41	37
Grants-in-aid						05		01
Total	1 74	1 87	2 06	2 33	2 27	2 32	2 36	2 29*

* Excludes Rs 3,400 on account of works

Although the Inchcape Committee contemplated a budget of 1 80 lakhs for this Corps [*vide* (8) *infra*], the actual expenditure in 1924-25 was 2 06 lakhs. The increase of Rs 26,560 compared with the actuals of 1924-25 was the net result of a gross increase of 38 counterbalanced by a gross decrease of 11. The following factors contributed to the gross increase —

	Rs
Revision of officers' pay and contribution for passages	17,235
Revision of establishments' pay	19 150
Payment to the Army Department for the inspection of arms	300
Entertainment of sweepers	800

The factors contributing to the gross decrease were a decrease of Rs 3,471 under grain compensation allowance and a reduction of Rs 7,504 in the provision for Contingencies.

(8) *Inchcape and departmental proposals* — The 1922-23 estimate for this Corps was 1 98 lakhs. The Inchcape Committee was informed that it was proposed to effect a reduction in the strength of the Corps, saving 18. The budget contemplated by the Inchcape Committee was thus 1 80 set off by revenues of 60.

The department has offered a reduction of 28 principally by the reduction of a portion of the establishments.

(9) *Our proposals* — In dealing with the expenditure on the Malwa and the Mewar Bhil Corps we have given our careful attention to two questions, *viz*, (a) whether the time is now ripe for the disbandment or reduction of these corps or of either of them, and (b) whether central civil estimates should bear the entire net cost of both or either.

(a) From the brief descriptions given in paragraphs 1 and 5 it will be seen, that the original purposes for which these and similar forces (*e g*, the Mina Corps, the Merwara Battalion, the Hyderabad Frontier Chowkidari Force, etc.) were raised were to insure some measure of peace and security and to provide employment for Bhil and similar races in Malwa, Central India and portions of Rajputana including Mewar as a guarantee for their good behaviour in this hilly country. In this connection we may refer to the state of anarchy into which Central India had fallen on the decline of the Mogul power. The marauding raids of *Pindaris* and other similar bands and the general insecurity of life and property to which the *Thugs* made their peculiar contribution were a menace, against which special measures had to be taken in the first half of the last century. During the last hundred years, however, the complexion of the problem has changed materially owing to the development of railways, roads, posts and telegraph and other communications and of agriculture, irrigation and industries, the better organisation of the States in Central India and Rajputana and their greater expenditure on the maintenance of the various agencies for the preservation of law and order. Even the problem of finding suitable employment for Bhils and other races in this area is no longer what it used to be. Our view therefore, is that the time is now ripe for a thorough revision of the old policy. In fact, we observe that even the department recognizes the need for some such revision. In the reply to our questionnaire it observes with reference to the Mewar Bhil Corps —

“ Although in theory there may be no justification for any part of the cost of the Corps, over and above that which is set off by the revenues of the Mewar-

Merwara villages, falling on the British Indian tax-payer, in practice the expenditure has been incurred as a form of insurance against the much heavier expenditure which would have been necessary to fulfil our treaty obligations with the Mewar Darbar, had the Bhumat been allowed to relapse once more into a state of lawlessness and anarchy “ *It is the avowed policy of Government now gradually to transfer political control to the Durbar and in the execution of this policy much progress has already been made. The logical result of this policy will be the abolition of the Corps or its transfer to the Durbar.* But the conditions of the Bhumat are such that it would be unwise and indeed dangerous suddenly to disband the Corps or to transfer it to the Durbar. It is, therefore, proposed to effect periodical reductions in its strength with a view to its transfer to the Durbar within a few years. The consummation of this policy will, however, inevitably lead to the reopening of the discussion regarding the future of the Mewar-Merwara villages ”

We ought perhaps to add that the maintenance of this Corps affects primarily a circumscribed area, viz, the Mewar State and parts of the country in its neighbourhood

Similarly, as regards the Malwa Bhil Corps the grounds on which the department thinks that the Corps should be maintained do not mention the original purposes very prominently, as the following extracts from its reply show —

“ The Corps has very often been employed actively in the capture of robbers and in the prevention of operations by gang of dacoits. The result in either case has often proved beneficent not only to Central India but in some cases to British Indian Districts on the border also

The Corps is kept at a high standard of military efficiency as certified by the General Officers Commanding the Mhow and Central Provinces Districts. If the Corps is disbanded and recruiting stopped, a serious increase of crime will follow, a result the cost of which would far exceed the insurance premium represented by the Bhil Corps budget as it stands at present

If the Corps is abolished, it will be necessary to raise another body of Military Police to perform the garrison and other duties now entrusted to the Bhils. The cost of this will far exceed the present sum paid by the Government of India. The Corps is an economical Military Police Force, as the rates of pay of the Bhils are considerably less than those of the regular troops or of the Police ”

* * * * * * *

“ The Corps performed valuable duties in connection with internal security during the Great War and thus enabled practically all the garrisons in Central India to be spared for duty overseas. These services were gratefully and publicly acknowledged by the General Officer Commanding, Central Provinces District, and have been further recognised by the re-arming of the Corps with up-to-date rifles ”

We may add that the Corps is no longer maintained at Sirdarpur in the real Bhil country but at Indore, the headquarters of the Central India Agency

Further, we observe that in the somewhat analogous case of the Frontier Chowkidari establishment borne on the "Hyderabad" grant the department proposes to take action with a view to the elimination of the cost of that force from central estimates.

Our conclusions are that the time is now ripe for (i) the transfer of the Mewar Corps to the Mewar Darbar, its ultimate disbandment in due course being kept in view, and (ii) a substantial curtailment of the strength of the Malwa Corps

As regards the former, the department's view is that but for the existence of this Corps the administration of the Bhil country would have been a costly affair necessitating the occupation of the territory by regular troops and that even now the maintenance of the Corps saves Government the expense of maintaining additional police or regular troops, either of which would be more costly. We concede that there was and still is some force in this view. We are, however, confident that if suitable stipulations are made, the Mewar Darbar should be able to ensure the satisfactory policing of the Mewar portion of the area where the Corps operates. We observe that the accepted policy is to gradually transfer control. Pending negotiations to this effect our proposal is that the strength of the Corps should be reduced so that it should cost no more than the present actual revenues of the territories handed over by Mewar State for this purpose. In this connection we may perhaps add that it will not be necessary to employ more than one officer (as is the case with the Malwa Bhil Corps) or to give him allowances on the present liberal scale. We agree that the question of the Mewar-Merwara villages will have to be settled, we naturally leave it to the department.

The area over which the Malwa Bhil Corps is supposed to operate comprises numerous States, some of which are small and have undeveloped communications. While a few States make contributions, many others do not even though the corps is sometimes used for their benefit. We shall therefore not go so far as to propose its disbandment, its transfer to any particular State is out of the question. But, we see no justification for the retention of the force at its present strength. The contribution from the various States amounted to 61 lakh and we consider this amount ample for providing the area in question with the protection of a military police. We hold that there is no justification for any part of the expenditure on this Corps falling on central revenues except to the extent that the performance of incidental and largely police functions (e.g., ceremonial guard duties, guarding of the Jail, the treasury and the Agency Office at Indore, escorting political officers and guarding their residences and camps, firing of salutes, etc.), necessitates the retention of its strength at a higher level. In respect of such incidental or auxiliary services we would provide a small additional sum, say about Rs 15,000, in our opinion any expenditure from central revenues appreciably in excess of this figure is unjustifiable. We would thus fix the budget of the Malwa Bhil Corps at about 75 gross and 14 net and recommend that it should be incorporated in the Police budget for the Central India Agency.

(b) The second main question raises two issues, viz, (i) whether the States concerned should be called upon to shoulder any fresh or additional burden and (ii) whether any part of the cost should be met from the army estimates in respect of work done (if any) for the army.

As regards (i), the department's view is that the transfer of the Corps from Sudarpur to Indore has been more to the advantage of the Government of India than to that of the contributing States. We concede that this view is not without some cogency, but we may incidentally observe that it proves that the corps no longer serves one of the original purposes for which it was raised. All the same, it cannot be denied that even now the Corps serves the purposes of the States in Central India and Malwa (contributory as well as other) and there is no inherent objection to such states being invited to contribute or contribute more than they do. But, since the entire position of the states in the new constitution, particularly the vexed question of the mutual financial obligations of the Government of India and the Indian States, is at present under examination by various authorities, we are content to propose that the question of enhanced or new contributions should, for the present, be left untouched. We would however like it to be brought to the notice of various authorities (including special committees of enquiry), interested in it. Meanwhile we propose that when a non-contributing State has occasion to utilise the services of the corps, it should not get them *gratis*.

As regards issue (ii), we observe that the Corps is being used for certain army purposes, and in fact is treated as if it were an irregular part of the army. It is under the command of officers drawn from the army or from the Army in India Reserve. It is "armed with up-to-date rifles", and "is kept at a high standard of military efficiency as certified by the General Officers Commanding, Mhow and Central Provinces Districts". It performs various "garrison and other duties" and is intended and expected to "perform valuable duties in connection with internal security" and thus enable garrisons in Central India to be spared for duty overseas. In fact the position is summed up in the department's observation that "the Corps could safely be employed in future in times of emergency in place of regular troops which could be released for service elsewhere". These facts (the quotations being from the department's own reply to our questionnaire) show that the Army could legitimately be called upon to bear, at any rate, a portion of the cost of maintaining this Corps. Since the army now charges civil departments for various services, *e.g.*, firing salutes, inspection of arms, etc., we see no reason why the Foreign and Political Department should not ask for a share of the cost from the Army estimates. Since both political and army estimates are at present non-votable, the usual objection, *viz.*, that the step proposed by us would be retrograde from the constitutional point of view, is not applicable to this case.

We are unable to give a precise figure for the army's share of the cost but provisionally we would fix it at the same figure as the net cost of our proposals to central estimates, *i.e.*, at about Rs 15,000.

(10) *Summary*—On our proposals the net saving in the central civil estimates will be approximately 1 63 *plus* 65 and to central revenues 1 63 *plus* 50 ($1.65 - 1.5 = 0.15$). The gross saving will be 3.37 lakhs. We shall take the latter figure into our calculation of savings.

CHAPTER XXIII.

POLITICAL PROBATIONERS UNDER TRAINING.

(1) *Introductory*—A certain number of officers of the Political Department are deputed for training to the minor administrations and the provinces. We may add that for some years the training was held in abeyance owing to the shortage of officers caused by the War but it was revived from the cold weather of 1923. The expenditure is necessarily of a fluctuating nature as it depends on the number of probationers and the periods for which they are deputed.

(2) *Expenditure*—We cannot ascertain the total provision for the training of such probationers in the various "area" grants, *e.g.*, Delhi where, we are told, some provision for such training has been made. The table given below shows the expenditure on such training included in the political "non-area" grant, provision for such expenditure has been made only in two provinces, *viz.*, the Punjab and the United Provinces. The chief items in the provisions are the pay and allowances of the officers and their passage contributions, pay of such establishments (generally temporary) as it may be necessary to maintain in this connection and small contingent expenditure.

	1926-27	1927-28	1928-29	1929-30	1931-32.
<i>United Provinces</i>					
Pay of officers	23	14	35	11	31
Pay of establishment			.	01	03
Allowances	04	02	05		
Contingencies	01		01	01	02
Grants-in-aid			01	01	02
Total	28	16	42	14	38
<i>Punjab</i>					
Pay of officers	25	18	49	34	58
Pay of establishment	01	01	02	01	06
Allowances	03	03	08	09	06
Grants-in-aid		02		06	03
Total	29	24	59	50	73
GRAND TOTAL	57	40	1.01	64	1 11

We do not know the aggregate provision for this purpose. The department has totally suspended recruitment in 1931 and has proposed to curtail the recruitment of probationers by fifty per cent and thus to reduce the expenditure by 1.12 lakhs. If expenditure can be assumed to be proportionate to the number of probationers under training, we deduce that the total provision must be about 2.24 lakhs. We have, however, been able to trace only the two items mentioned in the above table. The balance is presumably mixed up with the pay of officers and other items of expenditure in the various "area" grants.

(3) *Our proposals* — We are not quite sure that the training cannot be kept in abeyance for a year or two, as was done during the War and for some years thereafter. Since, however, such action would, in essence, amount to the postponement of inevitable expenditure, there would be no genuine permanent savings. We have therefore not scrutinised the department's offer in detail. From the point of view of reduction of expenditure in 1932-33 we welcome the department's offer, such as it is.

If we had more time, we might have gone into the question whether in the light of recent developments, particularly reductions of staff in the interests of economy, any alteration in the rate of recruitment could be made so as to secure permanent savings. As it is, we are content to leave it to the department to work out its scheme.

CHAPTER XXIV

Frontier Watch and Ward—Non-Area (Rs 1,28 85)

(1) *Explanation* —Under this head are recorded (i) charges for the defence of the Burma and Assam frontiers including the expenditure on buildings and communications relating to this part of the frontier and including the cost of the expeditions to the Triangle to put down slavery, (ii) expenditure on buildings and communications connected with frontier defence in the North-West Frontier Province and Baluchistan and (iii) certain miscellaneous charges in Burma and Assam, these will be explained in some detail in connection with our proposals

Expenditure on the civil defence forces maintained for the protection of the north-west frontier (i.e., the frontier in the North-West Frontier Province and Baluchistan) is provided for in the "area" grants and has been dealt with in the chapters relating to those minor administrations. We may add that till 1926-27 expenditure on buildings and communications relating to frontier watch and ward used to be shown under the head "Civil Works" and that it was only with effect from 1927-28 that with the opening of the new head "Frontier Watch and Ward" it began to be shown under "Frontier Watch and Ward—Non-area."

(2) *Expenditure* —The total expenditure on Frontier Watch and Ward (non-area) including buildings and communications is 1,28 85 lakhs. The following table analyses it and shows its growth —

	1927-28.	1928-29	1929-30	1930-31	1931-32
Frontier Constabulary and Militia	72 21	68 69	70 41	71 26	70 70
Buildings and communications	47 94	57 77	69 59	70 71	52 38
Miscellaneous	6 34	4 45	4 34	4 78	4 66
Expenditure in Enlgand and loss or gain by Exchange	98	1 17	95	80	1 11
	1,27 47	1,32 08	1,45 29	1,47 55	1,28 85

(Figures for earlier years are not separately available, since they are mixed up with Political and Civil Works expenditure for those years)

Till 1926-27 such expenditure used to be shown under the head "Political", hence it is difficult to give separate reliable figures for Frontier Watch and Ward expenditure in the preceding years.

We may now deal with the expenditure in each province

(3) *North-West Frontier Province* —In addition to an expenditure of 95 85 lakhs on the civil defence forces, 38 01 is spent in this province from the non-area grant—mainly on the construction and repair of roads and bridges in the transborder territory. Broadly speaking, the executive agency employed for this purpose is the military engineering services. We have already in Chapter III proposed that the entire expenditure on Frontier Watch and Ward including that on buildings and communications intended for Frontier Watch and Ward

should be borne by the army budget Since both are at present "non-voted", there can be no objection to our proposal on the ground of constitutional retrogression

Pending a decision on the general question, however, we recommend, that in the present difficult financial position of Government construction should be slowed down as far as possible and a reduction of at least 17 00 lakhs should be made in the provision of 38 01 lakhs

(4) *Baluchistan* —The total Frontier Watch and Ward expenditure in Baluchistan is 28 75 lakhs *plus* 8 27 lakhs on buildings and communications, *i.e.*, 37 02 lakhs We have already dealt with the former class of expenditure along with our general proposals relating to Baluchistan As regards the expenditure (1931-32 budget) of 8 27 lakhs, we recommend that it should be reduced by at least 2 25 lakhs The reasons on which we base our recommendation are the same as in the North-West Frontier Province, Burma and Assam

(5) *Burma* (i) Explanatory —The provision of 61 71 lakhs may be analysed as below —

(a) Contribution to the Government of Burma towards the cost of the Frontier Military Police	45 74
(b) Anti-slavery expeditions to the Triangle	6 68
(c) Civil defence force at Myitkyina	4 08
(d) Buildings and Communications	3 56
(e) Miscellaneous civil expenditure	64
(f) Medical, Sanitary, Village Police and Education	1 01
	<hr/> 61 71 <hr/>

The Department has offered to reduce the expenditure by 5 50 lakhs mainly as a result of its proposal to curtail the cost of expeditions to the Triangle and the expenditure on works It is also stated that the question of effecting a reduction in the contribution to the Burma Government towards the cost of the Military Police as a result of the general reduction of salaries, fall of prices, etc., was being taken up with the Local Government and that any savings which might result thereby would be in addition to the above figures

(ii) *Recommendations* —(a) The contribution to the Burma Government should be reduced, not only in the light of the fall in prices and the reduction in pay, allowances, etc., but also on the ground that India cannot afford to bear the present heavy cost of frontier watch and ward, especially along the North-Eastern Frontier, where the problem of frontier defence can by no means be called acute Since we do not base our recommendation on the figures of expenditure and numbers in the past, but on the ground of an alteration of the policy so far pursued, we refrain from a detailed examination of the growth of this expenditure We propose that the present provision of 45 74 should be reduced by 15 00 lakhs

(b) We hold that in her present financial condition India cannot and should not incur any expenditure outside the territory comprised within the political limits of Burma for the extermination of salvery If we may say so, such altruism appears to us to be somewhat misplaced The department proposes

merely to slow down. We would have proposed the deletion of the entire provision. But it has been pointed out to us that a complete and sudden reversal of the past policy would lead to undesirable political complications, and we concede that this view is not without some validity. Hence we are content to propose that the provision should be reduced from 6.68 to 2.00, saving 4.68 lakhs.

(c) The provision of 4.08 lakhs for a civil force at Myitkyna should, in the light of fallen prices, reduced pay and allowances, and the shrinkage in revenues, be reduced by one-third. We are content to leave it to the executive authorities to work out the details.

(d) For reasons stated in the Chapters on the North-West Frontier Province and Baluchistan, we consider that the programme of "defence" works, costing 3.56 lakhs, should be slowed down, and a reduction of at least 2.00 lakhs should be effected.

(e) The miscellaneous civil expenditure should, we recommend, be reduced by Rs. 4,400 to Rs. 60,000. The actuals for 1929-30 were 57 lakh and even when effect is given to our proposal, the provision that will be left will be 03 in excess of the actuals of that year.

(f) We have no reductions to suggest in the expenditure on Medical, Sanitary, Village Police and Education in connection with Frontier Watch and Ward.

(g) The total reduction we have recommended for Frontier Watch and Ward in Burma amounts to 23.08 lakhs.

(6) *Assam* —(i) Explanatory —The 1931-32 provision of 19.76 lakhs may be analysed as below —

(a) Contribution to the Assam Government towards the cost of	16.00
Assam Rifles	
(v) Buildings and Communications	2.54
(c) Miscellaneous	1.22
	<hr/>
	19.76

The department has proposed to effect a reduction in the strength of the coolie corps and thus offered a reduction of 32 lakh. It has also stated that the question of a reduction in the contribution to the Assam Government is under examination in consultation with the Local Government.

(ii) Our own recommendations based on reasons which we have already explained in the preceding paragraphs are —

(a) The contribution to the Assam Government on account of the Assam Rifles should be reduced from 16.00 to 11.00 lakhs.

(b) A reduction of 1.00 lakh should be effected under Buildings and Communications by slowing down the programme of works.

(c) The provision of 1.22 for Miscellaneous expenditure should be reduced to about 1.00 lakh. Actual expenditure in 1929-30 was 1.09. In the light of the fall in prices, which has occurred since, we think it should not be difficult to effect the reduction which we have proposed.

(7) *Summary of savings* —The total reduction proposed by us under this grant amounts to Rs 48 55 lakhs, distributed as shown below For the sake of completeness we have also shown the reductions proposed by us in the “ area ” grants, *i e*, on expenditure on the Civil defence forces in the North-West Frontier Province and in Baluchistan

North-West Frontier Province	$\left\{ \begin{array}{l} 17\ 00 \text{ under this grant} \\ 15\ 85 \text{ in the “ area ” grant} \end{array} \right.$
Baluchistan	$\left\{ \begin{array}{l} 2\ 25 \text{ under this grant} \\ 4\ 00 \text{ in the “ area ” grant} \end{array} \right.$
Burma	23 08
Assam	6 22

Total 48 55 in the “ non-area ” grant and 68 40 in the two “ area ” grants and in the ‘ non-area ’ grant put together

Even after effect is given to our proposals the total expenditure on Frontier Watch and Ward (including that incurred in the “ area ” grants) will be 1,83 95 lakhs

ABDUR RAHIM
RAM SARAN DAS.
RANGASWAMY AYANGAR
S C MITRA.
M. SHAH NAWAZ
HARBILAS SARDA*
J RAMSAY-SCOTT
H M WILAYATULLAH

SIMLA ,

22nd June 1932

S P SHAH,
Secretary (up to 1st May 1932)

S P VERMA,
Secretary (from 2nd May 1932)

* Subject to Note

Summary of reduction of expenditure resulting from the recommendations made in this part (III) of the Report

Serial No	Chapter, number and name of grant	1929-30 Actuals	1931-32 Budget	Skeleton scheme	Reduction proposed	Remarks
1	II Foreign and Political Department	10 56	11 74	2 75	2 75	
2	III North-West Frontier Province	2,33 66	246 78	30 05	20 24	
3	IV Baluchistan	76 24	79 34	10 24	10 25	
4	V Ajmer-Merwara	15 63	18 48	2 76	3 02*	*Includes automatic saving of 1 31 on account of famine relief
5	VI Rajputana	13 19	13 39	2 33	3 42	
6	VII Central India	12 49	12 92	3 23	3 25	
7	VIII Hyderabad	6 23	9 90	1 09	1 61	
8	IX Bangalore	14 24	14 16	†	†	†Excluded from scrutiny
9	X Western India States Agency	17 44	16 83	3 25	3 25†	
10	XII Gwalior Residency	71	76	07	05	†Includes 1 05 under Ex-cise
11	Mysore Residency	1 95	2 00	•38	38	
12	British Envoy at Nepal	1 70	1 56	31	36	
13	Baroda Residency	1 05	1 02	07	11	
14	Sikkim and Bhutan Agency	1 11	90	05	10	
15	Gyantse Trade Agency	2 05	2 29	2 29	2 29§	§Works and entertainment charges have been dealt with in Chapter XXII
16	Yatung Trade Agency	23	•22	22	22	
17	XIII Madras States Agency	1 80	1 33	60	84	From proposals re amalgamation with Mysore
18	Other Political establishments in Madras Circle	45	41	.	06	
19	XIV Aden	4 21	4 88	66	63	
20	XV Mahikantha Agency	2 89	2 78	20	37	
21	Southern Mahratta country Agency	•70	83	10	08	
22	Minor Agencies in Bombay Circle	1 83	2 16	51	53||	|| Viz, 51 under payment to Bombay Government (based on removal of Mahikantha and Rewakantha from their control) and 02 under Rewa kantha proper
23	XVI Kashmir Residency	2 03	2 09	65	67	
24	Gilgit Agency	1 58	1 78	17	17	
25	Punjab States Agency	1 67	1 79	18	30	
26	Consulate-General, Kashgar	1 01	1 14	30	30	
27	Ayub Khan Agency	04	04	03	03	
28	Gartok Trade Agency	25	17		17	
29	Simla Agency	37	37		Nil	
30	Dera Ghazi Khan Agency	21	21		Nil	
	XVII Other Agencies and Residencies.					
31	Bengal	10	•11	01	03	
32	United Provinces	•41	•65		Nil	
33	Burma	1•68	1 94	35	37	
34	Bihar and Orissa	1•20	1 23	27	20	
35	Central Provinces	•39	•51	•02	02	
36	Assam	•87	•80	•34	14	

Serial No	Chapter, number and name of grant	1929-30 Actuals	1931-32 Budget	Skeleton scheme	Reduction proposed	Remarks
<i>XVIII Persia, Arabia and the Persian Gulf littoral</i>						
37	Main recommendation			8 55	11 50*	
38	Bahrein Agency	90	84		10†	†Not less than 20 on these three items
39	Muskat Agency	64	70		05†	
40	Gwadur Directorship	11	10		10†	
41	Duzdap Trade Assistancy	14	16		included in item 52	Not included in total
42	Ahwaz Vice-Consulate	27	29		29	
43	Mohammerah Vice-Consulate	42	40		07	
44	Bunder Abbas Consulate	56	56		17	
45	Bushire (a) Political Agency	3 58	3 43		64	
46	Bushire (b) Despatch Vessel	Included in No 60	60	4 45	60	
47	Kerman Consulate	83	71		01	
48	Koweit Agency	67	56		08	
49	Persian Legation, Tehran	21	19		04	
50	Consulate General, Khorasan	1 18	96		20	
51	Seistan Consulate	1 16	1 07		04	
52	Duzdap Vice-Consulate	38	41		41†	
53	XIX Kabul Legation and Jalalabad and Kandahar Consulates	3 00	4 04	1 72	2 10	†From the proposal to abolish this Vice Consulate otherwise 04
<i>XX Other Political Expenditure</i>						
54	Political Subsidies	3 09	3 07		Nil	
55	Entertainment charges	41	40	15	15	
56	Refugees and State Prisoners	3 57	3 15	Nil	Nil	
57	Special Political Expenditure	10 05	10 00	Nil	Nil	
58	Works	2 99	4 18	3 08	3 52	
59	H E the Viceroy's secret service	55	55	05	05	
60	Miscellaneous charges	5 32	3 43	Nil	32	
61	Protector of Pilgrims, Iraq	06	08	Nil	Nil	
62	Expenditure in England	14 99	12 76	Nil	2 75	
63	XXI Indian States Forces	5 91	6 44	4 29	4 29§	§Civil Estimates will get relief to the full extent, i.e., 6 44 lakhs
64	XXII Malwa and Mewar Bhil Corps	3 49	3 52	2 28	3 37||	|| This is gross saving
65	XXIII Political Probationers under training	Totals not known		1 12	1 12	Net saving is 2 13
66	XIV Frontier Watch and Ward (non-area)	1,45 30	1,28 85	48 55	48 55	
Total		..	6,41 95	6,48 36	1,33 31	1,33 93

Besides, there will be saving from our proposal regarding special pays and allowances

*This amount represents the total estimated expenditure which falls on Indian revenues and which under our proposal will be transferred to the British Exchequer. Pending negotiations with H. M. G. regarding the main proposal the Sub-Committee has recommended economies in the expenditure of individual agencies, etc. These reductions are not included in the total, since credit has been taken for the ultimate saving of 11 50 lakhs.

D. B. HAR BILAS SARDA'S NOTE ON AJMER-MERWARA

I recognise that the General Purposes Sub-Committee has made its own position with regard to retrenchment in beneficent activities quite clear not only in the first and second parts of its reports, but also in almost every chapter of the III part. While agreeing with the Sub-Committee I find myself unable to accept the reductions proposed by it in the 1931-32 provisions for grants-in-aid for Education and Medical in the case of Ajmer-Merwara. As regards Medical, the Sub-Committee has recommended that such portion of the departmental offer of a reduction of Rs 21,000 should be accepted as relates to a grant-in-aid for a non-recurring purpose. While I endorse the Sub-Committee's general remarks regarding the grants-in-aid given on page 84 of the Report, I am unable, in view of the seriously defective provision existing for medical aid to the people of Ajmer-Merwara, to agree to any reduction in the grant-in-aid. Ajmer-Merwara has so far been treated in a somewhat niggardly fashion.

Finally I wish to record my emphatic protest against the reductions effected by Government on their own responsibility in the grants for Education and Medical in Ajmer-Merwara.

The Royal Agricultural Commission's recommendations with regard to Ajmer-Merwara, though so urgent, have not yet been given effect to, on the ground that money is not available. Government promised a grant of Rs 1,50,000 to improve the deplorable sanitary conditions of Ajmer and Beawar, but this also has been held up. The Government of India should, in justice and fairness to the province, provide without delay money which it has already promised to do and which is absolutely necessary to pull the province out of its present most insanitary conditions resulting in abnormally high death rate.